SASKATCHEWAN

Office of the Provincial Auditor

Business and Financial Plan

For the Year Ended March 31, 2003

As Presented to the
Standing Committee on Public Accounts

November 2001

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

Telephone: (306) 787-6398
Fax: (306) 787-6383

E-mail: info@auditor.sk.ca
Website: http://www.auditor.sk.ca/

This Report and previous Reports are available on the Internet at http://www.auditor.sk.ca/

Vision

We envision effective, open and accountable government.

Mission

We serve the people of Saskatchewan through the Legislative Assembly.
We are committed to fostering excellence in public sector management and accountability.

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

Phone: (306) 787-6366
Fax: (306) 787-6383
Internet e-mail: fwendel@auditor.sk.ca

November 28, 2001

The Honourable P. Myron Kowalsky
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

Pursuant to section 10.5 of *The Provincial Auditor* Act, I am pleased to present my Business and Financial Plan for the year ended March 31, 2003 to the Standing Committee on Public Accounts.

Yours truly,

Fred Wendel, CMA, CA
Acting Provincial Auditor

/dd

Our Business and Financial Plan

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Glossary

Estimate – Future-oriented financial information prepared using actual results where available and assumptions all of which reflect the entity's planned course of action for the period covered given management's judgement as to the most probable set of economic conditions.

Forecast – Future-oriented financial information prepared using assumptions that reflect the entity's planned courses of action for the period given management's judgement as to the most probable set of economic conditions (CICA Handbook).

Projection – Future-oriented financial information prepared using assumptions that reflect the entity's planned courses of action for the period given management's judgement as to the most probable set of economic conditions, together with one or more hypotheses that are assumptions which are consistent with the purpose of the information but are not necessarily the most probable in management's judgement (CICA Handbook).

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2002-2003 Funding Request

Funding request

Our Office requests the Standing Committee on Public Accounts to recommend to the Legislative Assembly an appropriation for the operation of the Office of $5.379 million for 2002-03 and a contingency appropriation of $0.348 million (see Appendix I for details). Appendix III is the estimates of the money that will be required to be provided by the Legislature for the expenses of our Office, including an amount for unforeseen expenses. We include Appendix III because *The Provincial Auditor Act* requires us to present our estimates to the Standing Committee on Public Accounts. These amounts will enable our Office to carry out its statutory responsibilities under *The Provincial Auditor Act*.

Appropriation

Our request is a $243,000 (4.7%) increase over our 2002 appropriation. The increase results from more work we need to do in 2003 to audit the new agencies the Government created and increases to our employee salaries and benefits. These matters are explained below.

- The Government created several new government agencies in 2002 that the law requires us to audit. This increases our costs by about $100,000 (see page 45).

- Salary pressures continued during the year. The economy continues to grow and there are more job opportunities for professional auditors and auditors training to become professionals. The Government gave economic salary adjustments to its employees of 3% on July 1, 2001. Also, the Government will give salary adjustments to its employees of 2.5% on July 1, 2002. We responded to these salary pressures and granted a 3% general increase to our employees on July 1, 2001. We also plan to give a 2.5% general increase on July 1, 2002. The impact of these salary adjustments and increases in federal benefits included in our 2003 request is $204,000.

The $304,000 increases to our costs for 2003, described in the previous paragraphs, are offset by decreases of $61,000 from our 2002 appropriation. First, our 2002 appropriation request included a one-time cost of $25,000 to co-host a national conference in 2001. Second, our 2002 appropriation request included $105,000 for contract staff to help us compress our financial statement work into a shorter time period to meet the requirements of *The*

Tabling of Documents Act, 1991. We anticipate $36,000 less contracting will be necessary to meet the required deadlines for 2003.

Our lease for office space expires on March 31, 2002. During 2001, we sought potential alternatives to our present office space and signed a 10-year lease. Our new lease increases our annual rent costs by $77,000. Our request absorbs all of this increase. By doing so, our requested increase is consistent with our performance target for our 2003 appropriation. Our target was to absorb inflationary increases to our costs except for economic adjustments to salary and benefits granted by the Government to public servants.

Page 46 of our Plan includes information on our full-time equivalent positions. It shows that we plan to maintain a work force of 59 positions. For the year ended March 31, 1999, we had 61 employees. For 2003, we are forecasting we will need 59 employees.

We continue to try to do more work with the same number or fewer employees by using better ways to carry out our work. For example, our Business and Financial Plans for the years 2000 to 2003 show increased costs to our Office caused by new agencies the Government created in each of those years. Those Plans show we would require approximately three more employees than we had in 1999 just to audit the new agencies.

Contingency Appropriation

The Provincial Auditor Act was amended on June 28, 2001. The amended Act changes how we finance our operations. In the past, we maintained net financial assets equal to approximately one month's salary and benefit expenses. We used this money to finance short-term revenue shortfalls caused by responding to unplanned work, pressure to improve the timeliness of our work, and unplanned salary and benefit increases. This practice enhanced our independence by providing the resources necessary to manage effectively unforeseen circumstances.

The amended act requires the Provincial Auditor to return all unspent money at the end of the year to the General Revenue Fund (GRF). This practice is known as "lapsing appropriations". We anticipate that we will return $390,000 of our net financial assets to the GRF for March 31, 2002. The amended Act also requires the Provincial Auditor to deposit all fees charged and other revenue earned to the GRF. Previously, the Provincial Auditor kept the fees to pay for unplanned work. We anticipate that we will deposit $97,000 to the GRF for 2002.

To enable the Provincial Auditor to retain the independence to manage effectively, the Public Accounts Committee recommended the amended Act should provide for the Provincial Auditor to obtain an extra appropriation each year. The amended Act provides for a contingency appropriation.

Our request includes a contingency appropriation of $348,000. This contingency appropriation approximates our previous net financial asset target of one month's salary and benefits.

We explain the many other factors that impact our request for resources in this Business and Financial Plan.

Independent advice for assessing our funding request

When the Board of Internal Economy considered our 1999 Business and Financial Plan in January 1998, the Board asked us to suggest ways the Board could obtain independent advice to help it assess our future requests for resources.

We suggested that the auditor Cabinet hired to audit our Office should provide assurance to the Board that our request for resources (financial forecast) is reasonable to carry out our operating plan (i.e., our goals, objectives, and strategies). This is the fourth year that we have had our financial forecast audited. We include our financial forecast on the expenditure and on the expense basis of accounting. Our Annual Report on Operations began using the expense basis of accounting for the year ended March 31, 2000. The auditor's report appears at page 33. The auditor reports that our financial forecast is consistent with and reasonable in relation to our operating plan.

Introduction

We have prepared our Business and Financial Plan using sound reporting principles. There is general agreement on the broad principles for effective information. Effective information is relevant, reliable, and understandable. In other words, information that reflects these principles is useful, accurate, complete, timely, and in a form that readers can readily understand. The following Exhibit provides an outline of these principles.

Exhibit 1: Reporting principles for effective planning information

Relevant

- Demonstrated relationship between information provided and information needs of the Assembly and the public;
- Aggregated at an appropriate and meaningful level;
- Describes the key risks that must be managed well to achieve objectives;
- Includes an assessment of the effectiveness of the control established to achieve objectives;
- Reported in sufficient time to influence decisions; and
- Readily available in print and electronic form.

Reliable

- Neutral and fair, in that judgements made on planned performance are not influenced by the way that the information is provided;
- Reasonably accurate and complete; and
- Based on reasonable, disclosed assumptions.

Understandable

- Provides the minimum level of detail needed to enable users to gain a proper understanding of the planned performance and activities;
- Focuses on a small number of objectives and performance targets;
- Explains the context and reasons for selected long-term goals and priorities; and
- Comparable over time, i.e., provides actual revenues and expenses for at least 2 prior years and planned revenues and expenses for 3 or more future years.

Assessing our effectiveness

Members of the Legislative Assembly often ask how they can assess our effectiveness when they consider our annual business and financial plans. We think Members can do this in three ways.

- To be effective, we need to do work the Standing Committee on Public Accounts considers useful in carrying out its mandate. Members can obtain advice from the Committee to determine if the Committee considers our work useful in helping it carry out its mandate.

- Members can use our annual reports on operations to compare what we told the Assembly we planned to do with what we actually did.

- Members can ask our Office questions on what we plan to do and what we actually did. Such questions can be asked at any time, including the public meetings of the Standing Committee on Estimates and the Standing Committee on Public Accounts.

We present our business and financial plans directly to the Assembly as required by law. As a result, Members of the Legislative Assembly can review our plans before we appear at the Standing Committee on Public Accounts. This allows Members the opportunity to advise the Committee on the relevance of our planned work.

The Legislative Assembly received our *Annual Report on Operations For the Year Ended March 31, 2001* on June 13, 2001. The Report contains information to help Members assess our effectiveness. We describe our performance in achieving our goals and objectives. We compare what we told the Assembly we planned to do in our 2001 Business and Financial Plan with what we actually did. Our performance measures, described on pages 52 to 55, include the quality and efficiency of our inputs, the quality of our outputs, and the intermediate outcomes of what we do.

Exhibit 2 on page 11 may help Members understand and assess what we do and the impact of our work. The exhibit explains what we mean by the terms inputs, outputs, intermediate outcomes and, most importantly, expected final outcomes.

Who We Serve

Our role

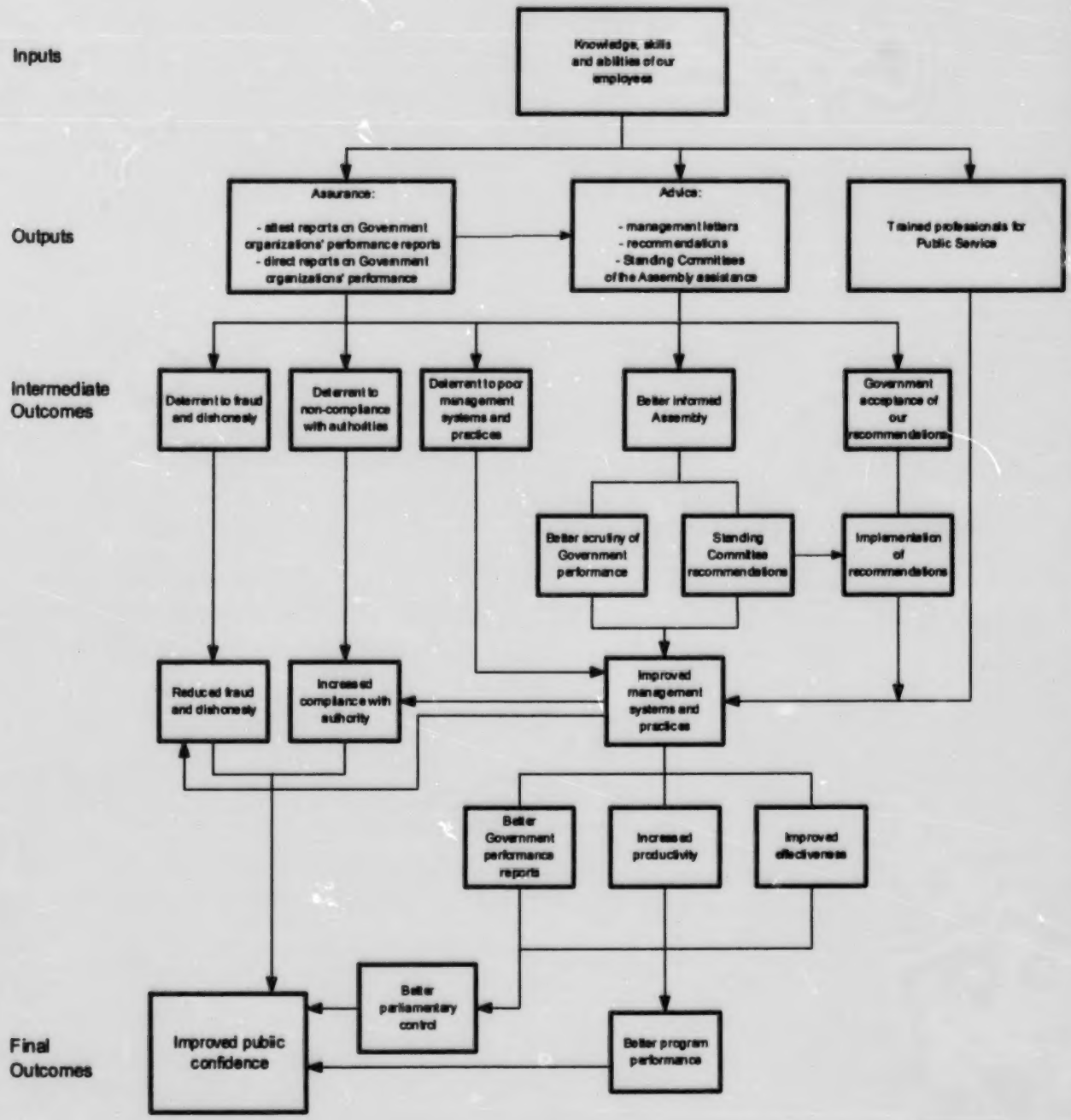
The Office of the Provincial Auditor helps the Legislative Assembly hold the Government accountable for how it manages public money. Our Office examines the Government's management of public resources and reports our findings to the Assembly.

Legal status

The Provincial Auditor Act creates an officer of the Legislative Assembly called the Provincial Auditor. The Act gives the Provincial Auditor the responsibility, authority, and independence to audit and publicly report on all government organizations.

What We Do and the Impact of Our Work

Exhibit 2



What We Do

Our Vision

We envision effective, open, and accountable government.

Our mission

We serve the people of Saskatchewan through the Legislative Assembly. We are committed to fostering excellence in public sector management and accountability.

Our mission shapes what we do and how we respond to key economic, political, social, and technological forces affecting those we serve.

How we carry out our mission

To fulfill our mission, we examine and provide independent assurance on the Government's management of and accountability practices for the public resources entrusted to it. In particular, we provide the following services:

- We advise the Legislative Assembly on:
  - the reliability of the Government's public performance reports;
  - the Government's compliance with legislative authorities; and
  - the adequacy of the Government's management of public resources.
- We encourage discussion and debate about public sector management and accountability issues.
- We assist the Standing Committees on Public Accounts and Crown Corporations.
- We develop professionals for public service.
- We support and adhere to the accounting and assurance standards recommended by The Canadian Institute of Chartered Accountants.

Our reports

We report our conclusions, findings, and recommendations to the Government, its managers, and the Legislative Assembly.

At the end of each examination, we prepare a draft report of our conclusions, findings, and recommendations. We discuss the draft with senior officials of

the organization and revise the draft when necessary. We issue a final report to the Minister responsible, to senior officials of the organization and, if applicable, to the chair of the board of directors. Also, we normally send a copy to the Chair and Secretary of Treasury Board and to the Provincial Comptroller.

In addition, we provide conclusions on the reliability of financial statements and other performance reports issued by government organizations. These conclusions are provided to the Assembly with the financial statements and other reports of government organizations.

Each year, we report directly to the Assembly. These reports contain the matters that we think are significant to the Assembly and the public. We decide what matters to report in the context of the following questions.

- Does the matter affect the Assembly's ability to control the financial activities of the Government?
- Does the matter affect the Assembly's ability to hold the Government accountable for how it administers public money?
- Does the matter involve improving how the Government administers public money?
- Does the matter involve non-compliance with legislative authorities?

We assess these questions of what to report in the context of specific government sectors, programs, and organizations and in the context of the whole Government.

When an organization's financial statements, compliance with authorities, and rules and procedures to safeguard assets are satisfactory, we also report that information to the Government and to the Legislative Assembly.

Expected outcome of our work and reports

Exhibit 2 on page 11 shows the expected outcomes of our work.

For our parliamentary system of government to work properly, the system must enjoy public confidence. To merit this confidence, the Government's programs must be effective. Also, the Government must be open and accountable to the public. Our work and reports directly affect public confidence in the Government. Our work and reports provide the public with

confidence that the Government's financial and other reports are reliable, the Government uses adequate systems and practices to safeguard and control public finances and resources, and the Government has complied with governing authorities.

One responsibility of the Legislative Assembly is to hold the Government accountable for the management of public resources. Our work and reports help the Assembly to carry out this responsibility.

Our work and reports call for appropriate public accountability for government operations and sound management. Our work and reports contribute to informed decision making in government and business-like systems and practices. In turn, this helps the Government carry out its responsibility to use sound management practices.

Our competencies

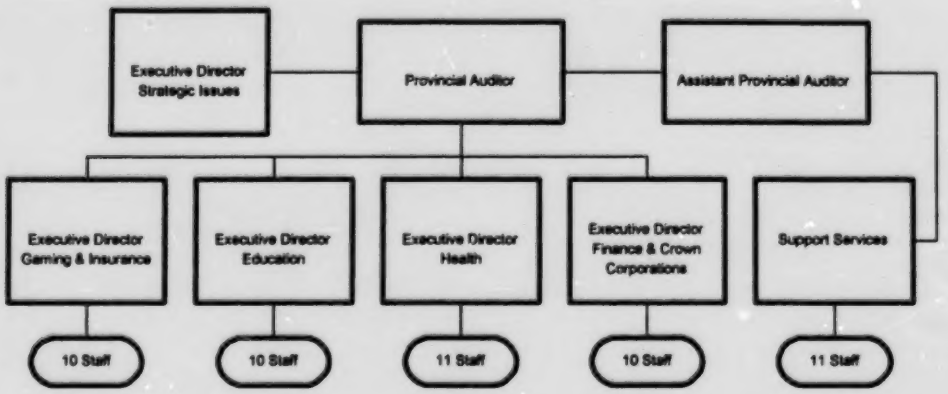
Our knowledge, skills, and abilities also affect what we do for the public, the Legislative Assembly, and the Government. We apply the following special competencies and experience to our work and reports:

- objectivity, because of our full independence from the Executive Government;
- thorough knowledge of the:
  - complex structure and systems the Government uses to manage public resources;
  - structure of legislative authorities governing the activities of government organizations related to financial reporting, safeguarding assets, revenue raising, spending, borrowing, and investing;
  - audit of information systems; and
  - accounting and assurance standards recommended by The Canadian Institute of Chartered Accountants;
- working knowledge of the issues facing government agencies operating in many and diverse types of businesses including education, health, insurance, protection of people and property, pension and benefit plans, energy, telecommunications, gaming, transportation, renewable resources, non-renewable resources, human resources, construction, and financial services; and

- a business view derived from rigorous professional training that we blend with our practical knowledge of public administration.

Our Organization

Our planned organization for 2002-2003 follows:



On April 19, 2000 Wayne Strelioff resigned as Provincial Auditor. Fred Wendel was appointed Acting Provincial Auditor until the Legislative Assembly appoints a new Provincial Auditor.

Our Finance and Crown Corporation Division's responsibilities include examining the Government's programs carried out through the Department of Finance and through the Crown Investments Corporation of Saskatchewan. Those programs are complex and affect almost all aspects of government.

Our Gaming and Insurance Division's responsibilities include examining the Government's gaming, insurance, and pension programs. The Government's insurance and pension programs are large. The Government's pension liabilities alone total nearly $7 billion. Pension and insurance liabilities require our staff to acquire special knowledge on accounting practices for casualty insurance and pension plans. We also must understand the methods used by actuaries to determine liabilities for insurance claims and pensions.

Our Health Division's responsibilities include examining the Government's health and social services programs. Total public spending on health for the year ended March 31, 2001 was $2.3 billion. During 2003, nearly one half of the Division's work will continue to focus on examining the thirty-two district health boards created by the Government. We will also complete the second phase of an in-depth review of how the Department manages the risks to the

health system infrastructure. In addition, we plan to work with the Department of Health so that it should be able to report publicly on the performance of our health care system as agreed by all First Ministers in Canada.

Our Education Division's responsibilities include examining the Government's education, post-secondary education and skills training, and infrastructure programs. The kindergarten to grade 12 education system and the post-secondary education system (e.g., universities, SIAST, and regional colleges) spend over $1.9 billion annually. We will also examine the risks to infrastructure that impact many government organizations.

Our Support Services Division's responsibilities include administration, human resources, research, methodology, training, secretarial, clerical and information technology. The Division is also responsible for our government-wide information technology audits.

During 2003, our Office expects to employ 59 people. At October 31, 2001, 30 of our employees are professional accountants. Fifteen are training to become professional accountants.

We have the services of a health professional, a lawyer, and a librarian. The skills, experience and perspectives of these professionals continue to be particularly valuable as we continue to examine broader and more in-depth issues.

Our employees are our most valuable resource because "what we do" depends on their knowledge and skills. Creating and maintaining an environment that encourages and rewards ongoing learning is crucial to our success.

What We Plan To Do

Our goals and objectives

We have three goals:

- Foster well-managed Government.
- Encourage good reporting by Government.
- Manage our business effectively.

Appendix I on pages 52 to 55 sets out our goals, objectives, and strategies for the years ending March 31, 2001 to 2003. The Appendix also sets out the

performance indicators we use to measure our success in achieving our goals and objectives and our performance targets for those indicators.

Our values

Our values also affect what our Office can accomplish. We believe in:

Accountability - actively taking responsibility for and explaining our actions
Credibility - earning and keeping the respect and confidence of our stakeholders
Equity - being fair to others
Professionalism - being objective, independent and courteous, and acting with integrity
Effectiveness - achieving planned goals and objectives
Leadership - setting a good example and accomplishing positive results
Innovation - seeking better ways to achieve results
Teamwork - working together to achieve results
Balance - respecting work, home and community responsibilities

Factors affecting our work plan

Our detailed work plan for 2003 is set out at pages 40 to 44. The work plan reflects our goals, values and the following additional key factors.

Our work plan for 2003 enables us to fulfill our legislative responsibilities under *The Provincial Auditor Act*. The Act sets out the organizations we must examine.

Our 2003 work plan reflects known information about the following factors at October 31, 2001:

- the 2002 level of government revenues and spending;
- the number of government organizations in 2002;
- the quality of the Government's records, systems, and practices;
- the Government's use of appointed auditors;
- professional standards;

- the co-operation we expect to receive from government officials and appointed auditors when we do our work; and

- public expectations.

Forces and trends affecting our work plan

Forces and trends also affect our work plans. Four major forces affect our stakeholders (i.e., legislators, the public, and government officials) and thus, shape our work.

Globalization - creating an internationally competitive, integrated, and interdependent world.

Advancing technology - making possible new ways of communicating and doing things, often at less cost and more quickly.

Changing demographics - a growing aboriginal population and an aging population.

Pressure on the environment - leading to increased awareness and concern about sustainable development.

These forces and trends have increased the public's expectations. For example, current technology gives the public more accessible information and knowledge about services and taxes in other jurisdictions. Changes in demographics will result in increased demands for services (e.g., health care). The Government's ability to manage scarce public resources and meet the public's increased expectations, impacts public attitude.

In Saskatchewan, these forces and trends are straining public resources and are causing legislators, government officials, and the public to re-examine the role of the Government, how it organizes and delivers programs and services, and how it ensures adequate participation in decision making.

Our focus

We plan to focus our efforts on helping legislators, government officials, and the public assess the challenges emerging from these forces and trends. In particular, we will encourage the Government to address the following challenges:

- reporting on how it manages the risks related to globalization, advancing technology, changing demographics and pressure on the environment;
- reporting on how it manages the risks related to the public's valuable infrastructure;
- strengthening its management of and accountability for intergovernmental programs;
- implementing a sound government-wide accountability framework that embraces performance and risk management;
- improving the quality of information provided to legislators on the plans and performance of the whole Government and on each of its organizations including Crown corporations; and
- supporting a strong professional development program with a focus on performance and risk management.

Risk Management

Our Key Risks

Sound risk management is essential for us to help the Legislative Assembly hold the Government accountable for its management of public resources. To manage risk, we must identify, assess, and reduce possible adverse consequences the Office may experience from events or circumstances.

We routinely identify and assess our risks. We have established controls to reduce to an acceptable level the likelihood that our risks will have adverse consequences on our ability to carry out our responsibilities under *The Provincial Auditor Act*. We accept some degree of risk because it is not cost effective to fully eliminate risks. The following are our key risks.

Our stakeholders do not support our goals and objectives. For the Office to remain viable, legislators, the public, and government officials should support our goals and objectives. Pursuing our goals and objectives must result in relevant assurance and advice for legislators, the public, and government officials. As discussed more fully in the risks that follow, we have established controls so that we set goals and objectives that will result in relevant assurance and advice for our stakeholders.

We do not adequately understand or respond to the challenges and risks faced by our stakeholders. If our assurance and advice is to be reliable, we must understand the challenges and risks faced by the Government. The way that the Government manages its risks impacts the nature and extent of work we must do to report with confidence to the Assembly.

We must also understand the challenges and risks faced by legislators and the public if our assurance and advice is to be relevant. To be relevant, our assurance and advice should result in better parliamentary control over government activities and better program performance. On pages 52 to 55, we set out the goals, objectives, and strategies that enable us to understand the challenges and risks faced by the Government, legislators, and the public.

The Standing Committee on Public Accounts is unable to fulfil its responsibilities. The Committee is the audit committee for the Legislative Assembly. The Committee is a key agent of change for improving the Government's management of public resources. The Public Accounts Committee's mandate is to help the Legislative Assembly hold the Government accountable for its spending of taxpayers' money and for its stewardship over public assets. The Committee reviews, examines and evaluates the activities of government departments and Crown agencies. The Committee works with the Provincial Auditor to effectively carry out the Committee's mandate.

Our Office must provide independent, relevant, and reliable information that is consistent with the Committee's objectives. The Provincial Auditor works closely with the Committee. Also, the Office provides the Assembly with an annual business and financial plan and an annual report on operations. In addition, Members ask our Office questions about what we do and why.

We lose or are perceived to lose our independence. *The Provincial Auditor Act* makes our Office responsible to examine all public money managed by the Government (e.g., departments, boards, corporations) and the Legislative Assembly (e.g., Board of Internal Economy).

The Act makes our Office independent of appointed and elected officials so that we can administer the Act without fear of reprisal.

The Act decides which organizations the Office must examine. The Office decides what work needs to be done and how the work is carried out for the proper administration of the Act.

We carefully guard our independence and report to the Assembly when we are concerned about our independence.

We provide inappropriate or incorrect assurance and advice. Stakeholders must trust and value our assurance and advice. Gaining and keeping their trust and value in our work and reports is essential for the viability of the Office. On pages 52 to 55, we set out our goals, objectives, and strategies to ensure our assurance and advice are reliable.

Also, in the next section (why systems and practices are important), we describe our quality control systems and practices to ensure that our assurance and advice is reliable. We think those systems and practices keep the risk our processes may fail to a minimum. However, we recognize that systems and practices sometimes fail because of factors such as procedural failures and human error.

We do not have the required competencies and resources. The quality of our assurance and advice is dependent on the knowledge, skills, and abilities of our employees. We have training programs to enable our employees to acquire the special knowledge, skills, and abilities we discuss on pages 14 and 15.

To discharge our statutory responsibilities, we need sufficient resources to have the required competent work force and to equip, support, and house that work force. We need the support of legislators to obtain the required resources. To obtain this support, we have established controls to ensure our assurance and advice is relevant to legislators and is reliable. Also, we make public a comprehensive business and financial plan annually to build legislators' support for our request for resources. When we do not have sufficient resources to pay for the cost of our work force, we reduce the number of our employees. When this happens, we do not do all the work the law requires us to do and we advise our stakeholders.

We do not manage our resources effectively. Our management practices must promote the effective use of our resources. We have established systems and practices to keep the risk of not doing so at a minimum. These processes include such things as setting direction, setting performance targets, monitoring our values, training staff, segregating duties, maintaining procedural manuals, delegating authority, processing transactions, reporting and monitoring results.

Why systems and practices are important

Strong systems and practices ensure we have appropriate controls to manage the risks that might prevent our office from achieving our goals including sound financial management. The following briefly describes those systems and practices.

Systems and practices for achieving Goals 1 and 2

For the risks associated with Goal 1 (foster well-managed government) and Goal 2 (encourage good reporting by government), set out on pages 52 to 53, we need rules and procedures to:

- ensure the quality of our work;
- identify and report opportunities for improving government organizations' performance reports and their management systems and practices; and
- ensure our work covers all government organizations.

The following rules and procedures impact the quality of our assurance and advice.

- We use standard methods for carrying out our work and continually change the methods to reflect best practice. The methods cover how we plan, execute, supervise, and report our work. We monitor all work to know that it meets our standard methods.
- We have hiring and training policies and procedures to help staff have the knowledge, skills, and abilities necessary to do their work. These policies also help us broaden staff skills in the health, education, and social services sectors and general management.
- We routinely make inquiries of our staff to know that they comply with our objectivity standards.
- We have rules and procedures for working with other auditors who audit some government organizations.

The following rules and procedures help us encourage the Government to improve its performance information and its management.

- Our personnel policies and procedures ensure that employees know our goals and objectives. Each employee's annual work plan shows how the

employee will contribute to achieving our goals and objectives. These work plans are continually monitored.

- We have established standards that require us to report to government organizations in writing our conclusions, findings, and recommendations after each examination. Those standards also require us to meet with management to discuss the findings and gain support for our recommendations.

The following rules and procedures ensure our work covers all government organizations.

- Government organizations are created or wound up by the Legislative Assembly, Cabinet, and existing government organizations. We monitor the actions of these parties and continually change our list of government organizations.

- We prepare an annual work plan for the Office that covers all government organizations. We estimate the costs of carrying out the plan and ask the Assembly for the money to carry out the plan.

Systems and practices for achieving Goal 3

For Goal 3 (i.e., manage our business effectively), set out on pages 54 to 55, we need rules and procedures for carrying out our work effectively.

The following rules and procedures help us improve our performance.

- We make our annual business and financial plan public and monitor our performance.

- We have established systems and practices for the sound financial management of our assets.

- For Goals 1 and 2, we established rules and procedures to ensure the quality of the assurances and advice we provide to legislators and the public. These rules and procedures include systems to identify best practices. We continually compare the way we do our work with private sector auditors and other legislative auditors.

- We forecast the cost of each audit and monitor the actual cost of each audit. We compare planned to actual costs and explain and act on variances. We also routinely compare our costs to audit government

organizations with private sector auditors' costs to audit government organizations.

- We plan the use of our employees' time and monitor our employees' actual use of time. We compare planned to actual results and explain and act on differences.

- To ensure the continued relevance of our work, we monitor legislators' and the Government's acceptance of our recommendations. We also monitor legislators', Legislative Committees' and the media's use of our reports.

- We continuously seek advice from stakeholders when we work with appointed auditors.

- We seek information to monitor government organizations' satisfaction with our work.

- We monitor our employees' views of our working environment.

How We Measure Our Performance

Our key outputs and outcomes

We have three primary outputs (services). (See Exhibit 2, page 11.) These are assurance (audit reports), advice (recommendations), and trained professionals for public service. Generally, our advice is a by-product of our assurance work. We deliver our services several ways.

We provide assurance and advice to government officials. We provide assurance by way of reports on financial statements, compliance with authorities, and the adequacy of management systems and practices. We provide advice and assurance by way of letters to management setting out our conclusions, findings, and recommendations for improvement.

We also provide assurance and advice to the Legislative Assembly and the public in our Spring and Fall reports to the Assembly. These reports summarize our work at government organizations. The reports provide assurance and advice on the whole Government, sectors of the Government and on each government organization's financial statements, the organization's compliance with authorities, and the adequacy of the organization's management systems and practices.

As shown in Exhibit 2 (page 11), our assurances and advice result in two final outcomes. These outcomes are improved public confidence in government and improved performance in the delivery of government programs. We think the Government can gain improved public confidence by improving its performance reports (i.e., business and financial plans and annual reports). We also think the Government can improve the delivery of its programs by acting on our recommendations.

Our trained professionals often leave our Office to work in the public service. They contribute to improved management in those agencies. During the year ended March 31, 2001, six of the eleven employees who left the Office continue to work in public service positions (two in Saskatchewan and four in other jurisdictions).

Our major input cost to provide our services is salaries and benefits. Salaries and benefits account for nearly 80% of our spending. We carefully monitor the use of staff time. Page 47 shows the actual and planned use of employee time for five years.

Measuring our performance

On pages 52 to 55, we also set out our indicators of success. They include the key performance indicators for our goals and objectives and our performance targets for those indicators.

Our 2001 Annual Report on Operations sets out our success in achieving the performance targets set out in our 2001 Business and Financial Plan.

Our Financial Plan

Historical comparison of the costs of our work plans

As stated earlier, the cost of our work plan is directly affected by several factors including the state of the Government's management systems and practices, the number of government organizations, and the use of appointed auditors. Our financial and work plans reflect what we know about these factors at October 31, 2001.

The Government's use of appointed auditors affects our costs and the way we carry out our responsibilities. The use of appointed auditors reduces our costs, but increases the total cost of auditing to taxpayers. We have stated for several years that it costs more to audit when there are two auditors.

When the Government chooses to appoint a second auditor, we plan to carry out our responsibilities following the recommendations of the *Task Force on Roles, Responsibilities, and Duties of Auditors*. Following these recommendations will ensure we serve the Assembly efficiently.

It is the Government's decision to use appointed auditors. The Government has stated that it uses appointed auditors so the Saskatchewan industry of private sector public accounting can develop and retain local expertise. The Government also tries to ensure a reasonable allocation of work among the firms. The Government is accountable for the costs of using appointed auditors and, therefore, our financial plan does not reflect the money to pay appointed auditors. However, as stated earlier, our detailed work plans do reflect known use of appointed auditors because it impacts our costs and the way we carry out our responsibilities.

At October 31, 2001, the Government manages 270 departments, Crown agencies, and funds. Our detailed work plan is described on pages 40 to 44. This schedule sets out our costs to audit and report on government organizations for our fiscal year ended March 31, 2003. We also include detailed planned costs for our fiscal year ended March 31, 2002, and actual costs for the fiscal years ended March 31, 2000 and March 31, 2001.

Table 1 is a summary of costs to carry out our detailed work plans. The Table shows a five-year summary comparison of costs to discharge our responsibilities under *The Provincial Auditor Act*.

Table 1

(in $ millions)

Work Plan Costs Showing Our Costs to Audit Each Government Organization for Our Fiscal Years Ended March 31				
2000 Actual	2001 Actual	2002 Planned	2003 Planned	2004 Planned
$4.416	$4.611	$5.136	$5.379	$5.483
(Details on pages 40 to 44)				(Details to be determined in 2002)

The cost to carry out our work plan shows differences between years.

The $243,000 increase in our costs for 2003, as compared to 2002, results from the new organizations we must audit and the cost of matching the salary and benefit enhancements that the Government gave to public servants.

The Government created several new organizations in 2001-02. Page 45 lists new Government organizations created during 2002 that will cost us $97,100 to audit in 2003.

During 2000, job opportunities continued to increase for professional auditors and auditors training to become professionals. Government agencies are a key group of potential employers of our trained professionals. In order to retain our professional and other staff, we must offer competitive salaries and benefits to the public service. The Government gave economic salary adjustments to its employees of 3% on July 1, 2001. The Government has also announced it will give a further 2.5% economic salary adjustment effective July 1, 2002. Reflecting the impact of these adjustments, our costs for 2003 increase by $195,000. In addition, our benefit costs increase by $9,000 to reflect changes to statutory federal benefits.

The $304,000 increases to our costs for 2003, described in the two previous paragraphs, are offset by decreases of $61,000 from our 2002 appropriation. First, our 2002 appropriation request included a one-time cost of $25,000 to co-host a national conference in 2001. Second, our 2002 appropriation request included $105,000 for contract staff to help us compress our financial statement work into a shorter time period to meet the requirements of *The Tabling of Documents Act, 1991*. We anticipate $36,000 less contracting will be necessary to meet the required deadlines for 2003.

On pages 40 to 44 we compare our detailed work plans for the years 2000 to 2003. We explain differences between years on these pages.

More detailed explanations are contained in our annual reports on operations. For example, our 2001 Annual Report on Operations compares the planned costs to audit government organizations set out in our 2001 Business and Financial Plan to our actual costs for auditing those organizations. In that Report, we explain major differences between planned and actual costs.

The 2004 work plan costs in Table 1 reflect our performance target for 2004. We plan to absorb inflationary increases except for general salary and benefit increases that the Government gives to public servants. This cost projection also assumes that the number of government organizations, the quality of their management systems and practices, the use of appointed auditors, and total Government revenues and expenses will remain constant. The $104,000 cost increase recognizes an increase to salary and benefit costs to reflect the 2.5% economic salary adjustment the Government will give to its employees on July 1, 2003.

Impact of Alternative Funding Levels

What happens if we do not obtain sufficient revenue to finance our work plan

If we do not obtain sufficient revenue from the Standing Committee on Public Accounts, we will have to reduce our staff. We will then not be able to carry out our work plan.

We use a risk-based model to set priorities and allocate resources for our work plan. The model uses criteria to guide us in assessing the impact of each audit on our overall ability to serve the Legislative Assembly.

Our decisions reflect that we must provide assurance on the Government's financial statements. We must also provide assurance on the adequacy of the Government's management of public resources and its compliance with the law. If we are unable to obtain sufficient revenue, we will provide less services by not auditing certain organizations in the following sequence:

- revolving and other special purpose funds;
- agricultural marketing boards and commissions; and
- certain CIC related Crown corporations.

When we do not examine Government organizations, the Assembly does not receive our assurances on the Government's financial statements, its compliance with governing authorities, and the adequacy of its management of public resources.

If necessary, we will report to the Legislative Assembly which Government organizations we were unable to audit. When this is necessary, we are concerned with the impact this message has on public confidence in our system of Government.

Appendix I – Detailed Information Supporting Our Business and Financial Plan

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AUDITOR'S REPORT ON FINANCIAL FORECAST

To the Standing Committee on Public Accounts:

The accompanying financial forecast of the Office of the Provincial Auditor consisting of a Statement of Revenues and Expenditures for the year ending March 31, 2003 has been prepared by management using assumptions with an effective date of October 31, 2001. At the request of the Provincial Auditor Saskatchewan, we have examined the support provided by management for the assumptions, and the preparation and presentation of this forecast. Our examination was made in accordance with the applicable auditing guideline issued by The Canadian Institute of Chartered Accountants. We have no responsibility to update this report for events and circumstances occurring after the date of our report.

In our opinion:

- as at the date of this report, the assumptions developed by management are suitably supported and consistent with the plans of the Office, and provide a reasonable basis for the forecast;
- this forecast reflects such assumptions; and
- the financial forecast complies with the presentation and disclosure standards for forecasts established by The Canadian Institute of Chartered Accountants.

Since this forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variances may be material. Accordingly, we express no opinion as to whether this forecast will be achieved.

November 21, 2001
Regina, Saskatchewan

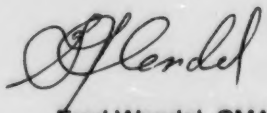
CHARTERED ACCOUNTANTS

Management's Responsibility for the Financial Forecast

The accompanying financial forecast consisting of a statement of revenues and expenditures included in the Business and Financial Plan for the Office of the Provincial Auditor for the year ending March 31, 2003 is the responsibility of management of the Office. Management has prepared the financial forecast in accordance with generally accepted accounting principles in Canada. The financial information presented elsewhere in this Business and Financial Plan is consistent with that in the financial forecast.

To ensure the integrity and objectivity of the financial data, management maintains an appropriate code of conduct, a comprehensive system of internal controls including written policies and procedures, and an organizational structure that segregates duties. These measures provide reasonable assurance that the most probable set of economic conditions are reflected in the assumptions the Office developed to prepare the financial forecast. These measures also provide reasonable assurance that the assumptions are suitably supported and consistent with the goals and plans developed by the Office, and provide a reasonable basis for the forecast.

The financial forecast was audited by the firm of Hill McKillop Orr & Company, Chartered Accountants. Their report to the Standing Committee on Public Accounts stating the scope of their examination and opinion on the financial forecast appears on page 33.



November 21, 2001
Regina, Saskatchewan

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement of Revenues and Expenditures
For the Years Ended March 31

	2000 Actual ($ Millions)	2001 Actual ($ Millions)	2002 Estimate ($ Millions)	2003 Forecast (Note 4) ($ Millions)	2004 Projection ($ Millions)
REVENUE:					
General Revenue Fund					
- Current Year's Appropriation	$ 4.442	$ 4.698	$ 5.136	$ 5.379	$ 5.483
- Contingency Appropriation	-	-	-	0.348	0.356
Fees	0.144	0.086	0.097	0.089	0.089
Total Revenue	4.586	4.784	5.233	5.816	5.928
EXPENDITURE:					
Salaries (see page 46) (Note 6)	3.101	3.318	3.254	3.663	3.754
Person years					
2000 Actual - 59					
2001 Actual - 58					
2002 Estimate - 52					
2003 Forecast - 59					
2004 Projection - 59					
Administration (Note 5)	0.486	0.524	0.586	0.551	0.551
Employee benefits	0.417	0.420	0.437	0.509	0.522
Rent of space	0.265	0.269	0.286	0.363	0.363
Agent and advisory services (Note 6)	0.073	0.110	0.329	0.144	0.144
Training and development (Note 7)	0.116	0.141	0.149	0.149	0.149
Total expenditure (Note 8)	4.458	4.782	5.041	5.379	5.483
Excess of revenues over expenditures before the following:	0.128	0.002	0.192	0.437	0.445
Transfer to GRF (Note 9)					
- Return of Contingency Appropriation (net financial assets)	-	-	(0.390)	(0.348)	(0.356)
- Fees	-	-	(0.097)	(0.089)	(0.089)
Annual surplus (deficit)	0.128	0.002	(0.295)	-	-
Net financial assets, beginning of year (Note 9)	0.165	0.293	0.295	-	-
Net financial assets, end of year (Note 9)	$ 0.293	$ 0.295	$ -	$ -	$ -

(see accompanying notes on pages 36 and 38)

Notes to the Statement of Revenues and Expenditures For the Year Ended March 31, 2003

1. General Information

The financial information presented covers five years. The information for 2000 and 2001 comes from the Office's audited financial statements included in the Office's Annual Reports on Operations for those years. Hill McKillop Orr & Company, Chartered Accountants audited the Office's 2000 and 2001 financial statements. The information for the 2002 estimate and the 2004 projection is not audited.

2. Summary of Accounting Policies

The accounting principles recommended by The Canadian Institute of Chartered Accountants for governments were used in the preparation of this financial information. The following accounting principles are considered to be significant:

(a) Basis of Accounting

The financial information is prepared on the expenditure basis of accounting.

(b) Revenue

The appropriation from the General Revenue Fund is recorded when receivable.

Fee revenue is recognized on the basis of the percentage of work completed for those government organizations that have signed contracts to pay fees or have otherwise agreed to pay the fees.

(c) Tangible Capital Assets

Tangible capital assets are charged to expenditure when purchased rather than when consumed.

3. Financial Information is a Forecast

The financial information presented for 2003 is a forecast, and accordingly actual results will vary and the variations may be material. The Office will report actual results compared to planned results for 2002 and 2003 in the Office's 2002 and 2003 Annual Reports on Operations. The Office provides its Annual Report on Operations to the Legislative Assembly.

4. Assumptions

The financial information for the year ended March 31, 2003 was prepared using the assumptions presented in these notes to the financial information. The assumptions reflect the Office's planned course of action for this period as set out on pages 52 to 55. The assumptions are based on management's judgement of the most probable set of economic conditions for this period based on known information at October 31, 2001. The significant assumptions are:

- *Revenue current year's appropriation* is the amount of money the Office needs from the General Revenue Fund to finance operations. Any amounts not required during the year are returned to the General Revenue Fund at year-end.

- *Revenue contingency appropriation* is the amount of money from the General Revenue Fund required for unforeseen expenses. Any amounts not required during the year are returned to the General Revenue Fund at year-end.

- *Fees* includes fees charged to other agencies for ancillary services and other income. All revenues are deposited to the General Revenue Fund.

- *Salaries* are based on 59 full time equivalents at an average salary cost of $62,085 (see page 46).

- Average salary cost is determined using best estimates of expected pay for current and new employees based on past trends and expected economic conditions. The average increase to salaries includes the 3% July 1, 2001 and 2.5% July 1, 2002 economic adjustments the Government provided to other public sector workers. Average salary cost also reflects the effect on our salary costs of five professional accountants leaving the Office, hiring seven new staff, and five staff returning from a leave of absence during the forecast period.

- The 59 person years reflects the number of persons necessary to obtain 65,000 audit hours to audit the organizations set out on pages 41 to 42. The 65,000 audit hours takes into account known information at October 31, 2001 about; the state of the government's systems and practices, the number of government organizations, and the Government's use of appointed auditors. The number of persons necessary to achieve 65,000 audit hours is based on the planned use of employee time set out on pages 47 to 48.

- *Employee benefits* include the costs of the following benefits, Canada pension plan, employment insurance, workers' compensation, public employees pension plan, public employees dental plan, public employees disability income plan, public employees group life plan, and public employees extended health plan. The costs reflect current rates charged for these benefits plus an amount of $9,000 for known rate increases for federal statutory benefits.

- *Administration* reflects management's best estimates based on past trends and current economic conditions for costs such as; travel to audits, computer hardware and software purchases and maintenance, professional fees and dues, telephone, printing, and office supplies.

- *Rent of space and office equipment* is nearly all for office space and is based on a new ten-year lease that commences April 1, 2002. Our new lease increases our rent costs by $77,000 per year.

- *Agent and advisory services* represents management's best estimates for legal costs, the cost of auditing the Office, and other contractual services. In 2003, due to the need to continue to advance deadlines resulting from amendments to *The Tabling of Documents Act, 1991*, we are planning to continue to contract some additional resources. However, as our staffing levels are planned to be at 59 full-time equivalent positions during 2003, our contracting requirements will be significantly less than in 2002.

- *Training and development* costs are the Office's out-of-pocket costs to train staff to become professional accountants, to keep the knowledge and skills of current professional accountants up to date, and to gain knowledge in specialized areas. The costs are based on past trends and office policies. (See pages 49 to 50.)

5. Administration

In 2000, due to established priorities, the Office decided not to pay one of our professional memberships totalling $15,000. The Office plans to renew this membership for future years. In 2001, the Office acquired computer equipment that it had delayed purchase of in 2000. In 2002, the Office acquired ergonomic workstations to provide a healthier work environment for our auditors increasing our costs by $47,000.

6. Agent and Advisory

In 2002, the Office is contracting staff to assist in meeting the new deadlines resulting from changes to *The Tabling of Documents Act, 1991*. The extra contract staff is also required as several staff are on maternity and other leaves of absence during 2002.

7. Training and Development

In 2000, due to established priorities, the Office did not carry out part of its annual management training program. The Office plans to carry out this program in future years.

8. Total expenditure

The Office's actual spending for the seven months ended October 31, 2001 was $2.780 million (unaudited).

9. Transfer to General Revenue Fund

The Provincial Auditor Amendment Act, 2001 requires that all fees charged and all other revenues received by the Provincial Auditor be deposited to the General Revenue Fund. In addition, the Act requires that any excess appropriations be returned to the General Revenue Fund.

In the past, we maintained net financial assets equal to approximately one month's salary and benefit expenses. This practice enhanced our independence to manage effectively unforeseen circumstances. We anticipate that we will return $390,000 of our net financial assets to the General Revenue Fund for March 31, 2002. To enable the Provincial Auditor to retain the independence to manage effectively, the Public Accounts Committee recommended the amended Act should provide for the Provincial Auditor to obtain an extra appropriation each year. The amended Act provides for a contingency appropriation to replace the net financial assets.

Statement of Revenue and Expenses
For the Years Ended March 31

	2000 Actual ($ Millions)	2001 Actual ($ Millions)	2002 Estimate ($ Millions)	2003 Forecast (Note 4) ($ Millions)	2004 Projection ($ Millions)
REVENUE:					
General Revenue Fund					
- Current Year's Appropriation	$ 4.442	$ 4.698	$ 5.136	$ 5.379	$ 5.483
- Contingency Appropriation	-	-	-	0.348	0.356
Fees	0.144	0.086	0.097	0.089	0.089
Total Revenue	4.586	4.784	5.233	5.816	5.928
EXPENSES:					
Salaries (Note 6)	3.101	3.318	3.254	3.663	3.754
Administration (Note 5)	0.494	0.533	0.553	0.570	0.559
Employee benefits	0.417	0.420	0.437	0.509	0.522
Rent of space	0.265	0.269	0.286	0.363	0.363
Agent and advisory services (Note 6)	0.073	0.110	0.329	0.144	0.144
Training and development (Note 7)	0.116	0.141	0.149	0.149	0.149
Total expense	4.466	4.791	5.008	5.398	5.491
Excess (deficiency) of revenue over expense	0.120	(0.007)	0.225	0.418	0.437
Net change in tangible capital assets	0.008	0.009	(0.033)	0.019	0.008
Excess of revenues over expenditures before the following:	0.128	0.002	0.192	0.437	0.445
Transfer to GRF (Note 9)					
- Return of Contingency Appropriation (net financial assets)	-	-	(0.390)	(0.348)	(0.356)
- Fees	-	-	(0.097)	(0.089)	(0.089)
Annual surplus (deficit)	0.128	0.002	(0.295)	-	-
Net financial assets, beginning of year (Note 9)	0.165	0.293	0.295	-	-
Net financial assets, end of year (Note 9)	$ 0.293	$ 0.295	$ -	$ -	$ -

This statement is included for informational purposes. This schedule reflects the expense basis of accounting. We include this statement because our actual results in our Annual Report on Operations are reported on the expense basis of accounting.

Schedule of Actual and Planned Costs to Audit Government Agencies as at March 31

The following schedule shows our actual costs to audit government agencies for our fiscal years April 1, 1999 to March 31, 2000 (2000 actuals) and April 1, 2000 to March 31, 2001 (2001 actuals). The schedule also shows our planned costs to audit government agencies for our fiscal years April 1, 2001 to March 31, 2002 (2002 planned) and April 1, 2002 to March 31, 2003 (2003 planned).

The "nature of each examination", except for the Saskatchewan Safety Council, is described in section 11 of *The Provincial Auditor Act*, which states:

> *11(1) The Provincial Auditor is the auditor of the accounts of the government of Saskatchewan and shall examine all accounts related to public money and any accounts not related to public money that he is required by an Act to examine, and shall determine whether, in his opinion:*
>
> *(a) the accounts have been faithfully and properly kept;*
>
> *(b) public money has been fully accounted for and properly disposed of, and the rules and procedures applied are sufficient to ensure an effective check on the assessment, collection and proper allocation of public money;*
>
> *(c) public money expended has been applied to the purposes for which it was appropriated by the Legislature and the expenditures have adequate statutory authority; and*
>
> *(d) essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public money.*

The information for 2000 and 2001 comes from the Schedule of Actual Costs to audit Government Agencies included in our 2000 and 2001 Annual Reports on Operations. Those schedules were audited by Hill McKillop Orr & Company, Chartered Accountants. Also, those schedules provide a comparison of our planned and actual costs to audit organizations for those years and an explanation for significant differences.

Schedule of Actual and Planned Costs to Audit Government Agencies as at March 31

Department or Agency	2000 Actual	2001 Actual	2002 Planned	2003 Planned
Department of Agriculture and Food	$ 296,065	$ 278,411	$ 291,325	$ 292,714
Department of Culture, Youth and Recreation	-	-	-	14,775
Department of Economic and Co-operative Development	28,848	16,641	34,113	61,686
Department of Education	135,942	207,618 (10)	176,831	171,770
Department of Energy and Mines	47,557	48,583	78,175	78,760
Department of Environment and Resource Management	121,505	136,747	158,265	150,625
Department of Finance	472,985	457,811	555,497 (5)	618,710 (1)
Department of Health	537,293	492,484 (11)	587,211 (6)	624,508
Department of Highways and Transportation	101,543	99,456	97,083	125,124
Department of Intergovernmental and Aboriginal Affairs	12,434	12,638	16,134	16,348
Department of Justice	161,668	174,527	211,736	189,089
Department of Labour	9,481	8,546	55,347 (7)	51,549
Department of Municipal Affairs and Housing	213,170	244,830	229,122	223,463
Department of Post-Secondary Education and Skills Training	486,886	502,814	607,000 (8)	576,051
Department of Social Services	163,572	137,164	160,202	174,107
Crown Investments Corporation of Saskatchewan	81,444	72,900	59,559	70,696
Executive Council	11,640	26,365	16,541	18,007
Information Services Corporation of Saskatchewan	-	4,632	5,041	6,656
Legislative Assembly	27,467	40,407	46,804	47,358
Municipal Financing Corporation of Saskatchewan	3,152	2,261	2,215	2,240
Public Service Commission	11,214	8,365	7,858	7,976
Rural Revitalization Office	-	-	-	7,840
Saskatchewan Development Fund Corporation	3,972	1,808	6,264	6,338

Department or Agency	2000 Actual	2001 Actual	2002 Planned	2003 Planned
Saskatchewan Forest Products Corporation	$ 2,929	$ 892	$ -	$ -
Saskatchewan Gaming Corporation	80,306	85,273	75,504	70,887
Saskatchewan Government Growth Fund Management Corporation	24,387	18,104	19,110	19,298
Saskatchewan Government Insurance Corporation	49,941	47,696	48,501	98,320 (2)
Saskatchewan Liquor and Gaming Authority	91,476	239,019 (12)	237,516	315,885 (3)
Saskatchewan Municipal Board	3,184	2,711	3,270	3,320
Saskatchewan Opportunities Corporation	8,241	11,525	14,535	12,080
Saskatchewan Power Corporation	70,863	34,133	36,391	95,440 (4)
Saskatchewan Property Management Corporation	8,833	8,352	11,879	12,412
Saskatchewan Research Council	62,951	61,858	69,540	70,571
Saskatchewan Safety Council	18,895	18,777	15,800	14,025
Saskatchewan Telecommunications	41,437	40,027	50,237	56,216
Saskatchewan Transportation Company	8,709	6,485	11,425	11,711
Saskatchewan Water Corporation	16,914	48,151	17,122	17,684
SaskEnergy Incorporated	15,407	18,417	20,530	22,704
Women's Secretariat	2,570	3,294	3,497	3,550
Workers' Compensation Board	55,650	56,829	69,825	53,085
Government-Wide, Sectoral, and Special Issue Audits	388,671	516,945 (13)	531,726	519,951
Legislative Committees and Annual Report	476,026	376,389 (14)	441,269 (9)	445,471
TOTAL	4,355,228	4,569,885	5,080,000	5,379,000
Secondments	61,236	41,238	56,000	-
TOTAL INCLUDING SECONDMENTS	$ 4,416,464	$ 4,611,123	$ 5,136,000	$ 5,379,000
Average cost per audit hour*	$ 72.39	$ 77.94	$ 78.24	$ 79.71

* The average cost per audit hour is the total expenditure for the year from page 35, less direct costs, divided by the total audit hours for all employees for the year (see page 47). The increase in the average cost per hour is primarily due to increasing salaries to respond to market pressure in 2001 and the effect of economic adjustments to salaries based on those given to public servants (see page 46).

Explanations for Differences Greater Than $40,000 Between Years

2003 Planned Costs

(1) ***Department of Finance*** – Our 2003 planned costs are approximately $83,000 more than our 2002 planned costs. The increase is largely due to costs to examine the Department's project management practices to develop phase one of a complex new computer system and to improve our Fall Report – Volume 1. This increased our costs by approximately $82,000. This increase has been offset by a reduction of costs due to audit efficiencies of approximately $19,000.

(2) ***Saskatchewan Government Insurance Corporation*** – Our 2003 planned costs are approximately $50,000 more than our 2002 planned costs. Our 2003 costs are $15,600 higher because of the acquisition of two insurance companies (see page 45). Also, we plan to work with SGI's management to identify risks that SGI needs to manage well to be successful. This decision increases our costs by $30,000.

(3) ***Saskatchewan Liquor and Gaming Authority*** – Our 2003 planned costs are more than our 2002 planned costs by approximately $78,000. Our planned costs are higher because for 2003 we plan to identify significant risks that the Saskatchewan Liquor and Gaming Authority (SLGA) and the Saskatchewan Indian Gaming Authority (SIGA) need to manage well to be successful. This decision increases our costs by $41,000. Also for 2003, we plan to examine the adequacy of SIGA's rules and procedures to build human resource capacity increasing our costs by $37,000.

(4) ***Saskatchewan Power Corporation*** – Our 2003 planned costs are more than our 2002 planned costs by approximately $59,000. For 2003, we plan to examine the Saskatchewan Power Corporation's processes to measure and report on the benefits achieved through the implementation of a complex new computer system. This increases our costs by approximately $44,000. Also for 2003, SaskPower created a new subsidiary (see page 45) as well as increasing its international projects and investments. These increase our costs by approximately $15,000.

2002 Planned Costs

(5) ***Department of Finance*** – Our 2002 planned costs are more than our 2001 actual costs by approximately $97,000. In our 2001 Annual Report on Operations, we reported that our 2001 actual costs were less than our 2001 planned costs. For 2001, our actual costs were approximately $70,000 less than planned due to audit efficiencies and fewer new significant issues being identified, which was not anticipated when we prepared the 2002 plan. Our plan for 2002 also included four new entities. This increased our costs by approximately $27,000.

(6) ***Department of Health*** – Our 2002 planned costs are more than our 2001 actual costs by approximately $95,000. In September 2000, all First Ministers in Canada agreed to prepare public reports on their health systems' performance (i.e., health status, health outcomes, and quality of services) by September 2002. The Department of Health and our Office have agreed to work together so that in a few years the Department will be able to prepare reliable public reports on the performance of our health system. Until we are able to provide positive assurance on the Department's performance reports, we will report annually on the Department's progress. This additional work increased our costs by approximately $52,000. Our costs are also increased to advance the deadlines resulting from amendments to *The Tabling of Documents Act, 1991* and to complete follow up work on our *Toward 2000* project.

(7) ***Department of Labour*** – Our 2002 planned costs are more than our 2001 actual costs by approximately $47,000. For 2002, we planned to identify the Department's key risks including the Government's financial risks related to the Department's regulatory systems and practices.

(8) ***Department of Post-Secondary Education and Skills Training*** – Our 2002 planned costs are more than our 2001 actual costs by approximately $104,000. For 2002, we planned to examine aspects of performance reporting within the post-secondary sector for an expected cost of about $30,000. Also for 2002, the University of Saskatchewan created two new pension plans. This increased our costs by

$30,000. Our costs are also increased by approximately $35,000 to advance the deadlines resulting from amendments to *The Tabling of Documents Act, 1991.*

(9) ***Legislative Committees and Public Reports*** – Our 2002 planned costs are more than our 2001 actual costs by approximately $65,000. In our 2001 Annual Report on Operations, we reported that during 2001, the Public Accounts Committee and Crown Corporations Committee did not meet to discuss our Reports. As a result, our staff did not attend as many of these meetings as planned thus decreasing our costs.

2001 Actual Costs

(10) ***Department of Education*** – Our 2001 actual costs are more than our 2000 actual costs. For 2000, for the Department's K-12 performance indicators, we did a less expensive study rather than an audit. The study provided an effective way to report the key issues examined to the Legislative Assembly. For 2001, we completed an audit of the Department's K-12 performance indicators, which increased our costs.

(11) ***Department of Health*** – Our 2001 actual costs are less than our 2000 actual costs by approximately $45,000. This is a result of work carried out in 2000 related to health long-term planning that was not repeated in 2001. Also in 2000, we identified the key risks for the Department of Health and identified several audit issues for future audits.

(12) ***Saskatchewan Liquor and Gaming Authority*** – Our 2001 actual costs are more than our 2000 actual costs. In 2001, we completed a special audit at the Saskatchewan Indian and Gaming Authority, which increased our costs. The results of this special audit were reported in our 2000 Fall Report – Volume 2.

(13) ***Government Wide, Sectoral, and Special Issue Audits*** – Our 2001 actual costs are more than our 2000 actual costs. Our work on *Toward 2000* caused us to reconsider how we examine infrastructure. We decided we had to do more work on the Government's systems and practices for managing its risks to its infrastructure beginning with the health system. This decision increased our costs $71,000. In 2001, we also identified and reported on what information the Legislative Assembly needs to receive from Crown corporations to understand and debate rate changes. Our conclusions regarding *Toward 2000* were reported in our 1999 Fall Report – Volume 2. Our conclusions regarding rate regulation in the public sector were reported in our 2000 Spring Report. Also in 2001, we increased our work related to auditing the changes to the government's information technology systems.

(14) ***Legislative Committees and Public Reports*** – Our 2001 actual costs are less than our 2000 actual costs by approximately $100,000. The Public Accounts Committee met more frequently in 2000 than in 2001 and completed its review of our 1997 Fall Report, our 1998 Spring Report, and our 1998 Fall Report. As reported in our 2000 Annual Report on Operations, the increase in costs of our Reports to the Legislative Assembly was related to our Fall Report. The Fall Report included a significant number of chapters related to the Department of Health that resulted in more preparation time than planned. Also, time pressures in completing some of the chapters included in the Fall Report resulted in printing costs that were greater than planned.

Government Organizations Created in 2001-2002

The following organizations were created during 2001-2002 and result in more work for us in 2002-2003. As a result, we request additional resources in 2002-2003 to do these audits:

Department of Culture, Youth and Recreation	$ 14,800	$ 14,800
Department of Environment and Resource Management		
Operator Certification Board	1,500	
Fire Contingency Fund	7,300	8,800
Department of Post-Secondary Education and Skills Training		
Canada-Saskatchewan Integrated Loans Program	11,200	
Canadian Light Source Inc. (CLS Inc.)	10,300	21,500
Rural Revitalization Office	7,800	7,800
Saskatchewan Gaming Corporation		
Metis Development Fund	7,600	7,600
Saskatchewan Government Insurance Corporation		
Insurance Company of Prince Edward Island	7,800	
Coachman Insurance Company	7,800	15,600
Saskatchewan Power Corporation		
North Point Energy Solutions	10,600	10,600
Saskatchewan Telecommunications		
Hospitality Network Canada Inc.	2,200	
Langenburg Holdings Inc. (RSL.Com)	2,200	
The Ag Dealer Inc.	2,200	
Business Watch International Inc.	2,200	8,800
SaskEnergy Incorporated		
Swan Valley Gas Corporation	1,600	1,600
		$ 97,100

We submit our request for resources in November of a year (2001) for the next April to March fiscal (2002-2003) year. Our request is for the purpose of auditing government organizations for their years ended in the period January 1, 2002 to December 31, 2002. The request is based on information known to October 31, 2001. Information received after that date will be reflected in our next request for resources.

Forecast and Actual
Full Time Equivalent Positions and Average Salaries

Information on full time equivalent positions and salary levels

	Full Time Equivalent Positions		Average Salaries[1]		
Fiscal Year Ended	Forecast	Actual	Forecast	Actual	
1990	51	51	$ 45,500	$ 43,500	
1991	52	50	44,400	43,100	
1992	60	59	44,500	44,900	
1993	64	58	48,800	49,000	
1994	69	61	48,100	47,000	
1995	66	62	48,200	49,200	
1996	63	62	48,700	50,360	
1997	63	63	48,400	48,773	
1998	62	62	48,700	50,358	
1999	61	61	50,000	52,377	
2000	60	59	52,200	53,932	[2]
2001	59	58	56,220	57,210	
2002	59	52 [3]	58,980	62,580	[3]
2003	59	—	62,085	—	

[1] Our average salaries have increased from 1990 to 2003 primarily due to the Provincial Auditor's staff receiving similar economic adjustments as those the Government provided to public servants. We set out below the economic adjustments the Government provided to public servants. These economic adjustments alone would cause our average salary at March 31, 1990 to increase from $43,500 per year to $57,030 by March 31, 2003. The rest of the increase, to $62,085 for 2003, was caused by our need to respond to market pressures in 2001. The economy provided more opportunities for new university graduates causing increased starting salaries. We increased our starting salaries six percent for 2001. This decision impacted salaries for all staff training to become professional accountants. Also, the economy created more opportunities and higher salaries for recently qualified professional accountants. We note the Government responded to this market pressure and provided a special increase to the salaries of professional auditors ranging from 5% to 12%. We also responded to these market pressures in 2001.

July 1, 1989	4%
July 1, 1990	4%
July 1, 1991	4%
July 1, 1994	2%
July 1, 1997	1%
July 1, 1998	3%
July 1, 1999	2%
July 1, 2000	2%
July 1, 2001	3%
July 1, 2002	2.5%

[2] Average salaries at March 31, 2000 after adjustment for a $81,000 decrease in accrued vacation pay.

[3] Estimated number of full-time equivalent positions and average salaries at September 30, 2001. A number of staff are on maternity and other leaves this year. We replaced these staff by contracting staff from accounting firms. This has changed the usual composition of our normal average salary.

Schedule of Actual and Planned Time Employees Spend on Tasks For the Years Ended March 31

	Actual			Planned	
Employee time	**1999**	**2000**	**2001**	**2002**	**2003**
Working hours	87%	84%	84%	85%	85%
Vacation leave and statutory holidays	11%	14% [1]	13% [1]	13% [1]	13% [1]
Sick leave	2%	2%	3% [2]	2%	2%
Total paid hours	100%	100%	100%	100%	100%
Working hours tasks					
Audits	64%	62%	63%	64%	66% [3]
Support services	13%	14%	14%	13%	11% [3]
Office administration	15%	16%	15%	14%	15%
Training	8%	8%	8%	9%	8%
Total work hours	100%	100%	100%	100%	100%
Number of full time equivalent positions before secondments	60	58	58	58	59
Secondments	1	1	0	1	0
Total full time equivalent positions	61	59	58	59	59

(see accompanying notes to the schedule on page 48)

[1] Our vacation leave and statutory holidays are similar to those provided to employees in the public service. In October 1991, the Government gave improved vacation entitlements to its employees (e.g., four weeks vacation after 8 years of service instead of 10 years). We provided this benefit to our employees in October 1994. We are now impacted by this increase in vacation entitlements as the average term of service with our Office continues to increase. In 2000, staff were encouraged to take their unused vacation entitlements from previous years.

[2] In 2001, one employee had a lengthy illness.

[3] In 2003, we have one support services staff member training to work in our auditing area thus increasing our audit hours.

Notes to the Schedule of Actual and Planned Time Employees Spend on Tasks For the Years Ended March 31

1. Purpose

This schedule shows employee tasks and the percentage of time employees spend on these tasks. The schedule shows actual percentages for the years ended March 31, 1999 to March 31, 2001. The schedule also shows planned percentages for these tasks for the years ended March 31, 2002 and 2003.

The information for 1999, 2000, and 2001 comes from the Schedule of Actual Time Employees Spend on Tasks included in our Annual Reports on Operations for those years. The 1999, 2000, and 2001 schedules were audited by Hill McKillop Orr & Company, Chartered Accountants.

2. Definitions

Working hours - This is the time available after deducting vacation leave, statutory holidays, and sick leave.

Vacation leave and statutory holidays - Employees receive paid vacation leave. Leave is based on years of service. Employees also receive 11 paid statutory holidays.

Sick leave - Employees receive paid sick leave. The amount of paid leave is based on years of service.

Total paid hours - This is the total of working hours, vacation leave and statutory holidays, and sick leave. Employees must account for a minimum of 1950 total paid hours per year to receive full pay.

Secondments - Secondments refers to arrangements when the Office's staff work for others (e.g. Government agencies) under their direction.

Audit hours - This is the time employees spend on the audits set out in the Detailed Work Plan on page 40. This time includes secondments. Audit hours do not include the time spent on support services, office administration, and training.

Support services - This is the time employees spend on accounting, computer maintenance and support, and other administrative support.

Office administration - This is time employees spend on human resource activities, internal committees and working groups, office-wide and group planning activities, and time that does not fall within any other working hours task category.

Training - This is time employees spend on staff development courses and seminars. The time includes both employee attendance time and instructor time when our employees instruct our internal courses.

Full-time equivalent positions - This represents the total paid months divided by twelve months.

3. Time Allocation Policies

Employees are required to record on time sheets actual time spent on each task to the nearest quarter hour. The employees' supervisors approve the employees' time sheets. The Office records the time shown on the time sheets. The Office uses the information derived from the time sheets to pay employees and to monitor employees' performance. The Office also uses this information to determine the actual costs to audit government agencies.

Training Schedule

Information on the cost of training. The schedule shows the staff hours, staff salary costs and out-of-pocket costs.

	Hours [1, 2]	Salary Cost	Out-of-Pocket Cost
1995-96 forecast	8,968	$199,416	$150,010
1995-96 actual	8,814	184,271	132,914
1996-97 forecast	8,659	174,629	149,575
1996-97 actual	8,808	177,071	122,257
1997-98 forecast	8,100	162,600	145,500
1997-98 actual	8,639	188,444	136,155
1998-99 forecast [3]	8,947	170,665	151,540
1998-99 actual [4]	8,023	188,320	148,531
1999-00 forecast	8,720	205,791	149,000
1999-00 actual [5]	7,946	175,144	116,310
2000-01 forecast	9,043	206,582	149,000
2000-01 actual [6]	8,191	197,399	141,392
2001-02 forecast [7]	8,213	208,509	149,000
2001-02 estimate [8]	7,150	204,480	149,000
2002-03 forecast [9]	7,410	210,508	149,000

(see accompanying notes to the schedule on page 50)

Notes to the Training Schedule

1. We are a training office for people to become Chartered Accountants (CAs). We pay salaries about $9,000 per year less than the starting salary for a Business Auditor hired through the Public Service Commission. Our training costs for CA students (attending the new CA School of Business) are about $4,100 per year. It takes three years to become a CA. Accordingly, we save about $5,000 per year whenever we can use a student to do the required work.

2. We continue to update our training survey that was initiated from a request of the Board of Internal Economy. In early 1999, we did a survey of the legislative auditors across Canada and four of the largest national auditing firms in Regina. We received replies from nine of the legislative auditors and two of the national auditing firms. Following are the results of the survey based on 1998 training policies:

Type of training	Legislative Auditors Average 1998	National Auditing Firms Average 1998	Provincial Auditor Saskatchewan 1998	Provincial Auditor Saskatchewan Forecast 2003
Training new staff to become professionals	11 days	16 days	11 days	11 days
Keeping our existing professional staff current	7 days	16 days	6 days	6 days
Specialized training (e.g., computers, pensions, tax, etc.)	9 days	33 days	11 days	13 days

We also note, in January 1995, the Institute of Chartered Accountants of Saskatchewan reported on professional development (training) in its newsletter *Horizons*. The Institute reported that in 1994 Chartered Accountants spent about 70 hours (approximately 9 days) on training activities.

3. In 1998-99, our planned costs reflected our decision to hire two trainees who will do the Master of Professional Accounting Program (MPAcc) at the University of Saskatchewan. This decision would increase training costs by $8,710. Our recruiting for that year did not result in the hiring of students willing to pursue MPAcc.

4. Our training hours decreased due to not having MPAcc student time. However, we increased our IT training for support staff due to the loss of a key staff member. The salary cost of this training is higher than savings from the decreased student training.

5. Our hours and costs decreased due to established priorities. We did not carry out part of our annual management training program.

6. Our hours decreased as we spent less time on our in-house training courses than originally planned for the year.

7. Our forecast included an increase in the training for our specialists and a decrease in the number of students preparing for final exams in their professional accounting program. The salary cost of the specialist training is higher than the savings from the decreased student training.

8. As at October 31, 2001.

9. Our forecast includes a decrease in the hours necessary for training our students. The format of the new CA School of Business does not require the students to have as much paid leave as was required by the training program of The Institute of Chartered Accountants of Saskatchewan.

Summary of Our 2001 – 2003 Strategic Plan

Our goals and objectives

We have three goals. These are:

- foster well-managed government;
- encourage good reporting by government; and
- manage our business effectively.

Pages 52 to 55 set out our goals and objectives for the period October 1, 2000 to September 30, 2003 for pursuing our mission. We also set out our:

- strategies to manage the risks that might prevent us from achieving our objectives; and
- indicators we use to measure our success in achieving our goals and objectives and our performance targets for those indicators.

Goal 1: Foster Well-Managed Government

Objectives		Strategies	
a)	The Government uses a sound public accountability framework.	i)	Assess the Government's public accountability framework.
		ii)	Encourage the Government to use a sound public accountability framework.
b)	The Government uses adequate processes to plan and to achieve planned results.	i)	Evaluate the Government's processes to plan including its risk identification.
		ii)	Evaluate the Government's processes to achieve planned results including its risk management.
c)	Our stakeholders receive our assurance and advice on the Government's public accountability framework, and the processes it uses to plan and to achieve planned results.	i)	Provide timely assurance and advice to our stakeholders.

Indicators of Success:

- The Government acts on 80% of our recommendations that are more than one year old that do not involve major changes.
- The Government acts on 80% of our recommendations that are more than five years old that involve major changes.
- The Public Accounts Committee accepts 90% of our recommendations that it considers.

Goal 2: Encourage Good Reporting by Government

Objectives		Strategies	
a)	The Government publicly reports its plans based on a sound public accountability framework.	i)	Encourage the Government to publicly report its plans.
		ii)	Examine whether the Government's public planning reports include all essential elements.
b)	The Government publicly reports the extent to which it has achieved its planned results.	i)	Encourage the Government to publicly report the extent to which it has achieved its planned results.
		ii)	Examine whether the Government's public performance reports include all essential elements.
		iii)	Encourage the Government to prepare financial statements for its departments.
		iv)	Examine whether the Government's financial statements are reliable.
		v)	Examine the reliability of key operational performance information included in the Government's performance reports.
c)	Our stakeholders receive our assurance on the Government's key public planning and performance reports.	i)	Provide timely assurance and advice to our stakeholders.

Indicators of Success:

- By 2002, 50% of significant government agencies make public their plans.
- In 2002, the Government-as-a-whole publicly reports its plans for the 2002-03 fiscal year.
- By 2002, 50% of all Departments include departmental financial statements in their annual performance reports.
- By 2003, 50% of significant government agencies' performance reports we examine set out information on their key risks and how they manage those risks.

Goal 3: Manage Our Business Effectively

Objectives		Strategies	
a)	Our stakeholders know and value what we do.	i)	Seek and monitor the views of our stakeholders on our plans and performance.
		ii)	Identify and monitor the risks faced by our stakeholders.
		iii)	Adjust our work, priorities and resource allocation to respond to our understanding of the risks faced by our stakeholders.
		iv)	Obtain the resources and competencies necessary to respond to the risks faced by our stakeholders.
		v)	Communicate in a clear, accessible and timely manner.
		vi)	Maintain our independence
b)	We are leaders in key areas of our profession.	i)	Define the unique characteristics of the profession of legislative auditing.
		ii)	Set out the areas of our profession for which we maintain leadership expertise.
		iii)	Set out the subject matters for which we maintain in-depth knowledge.
		iv)	Maintain access to the necessary competencies.
		v)	Encourage government officials, other public-sector officials, and professional colleagues to seek our advice and training programs and to seek experience with our Office.
c)	We continuously improve our work.	i)	Incorporate the CICA's Criteria of Control into our methodology.
		ii)	Maintain current and effective methodology.
		iii)	Ensure we have qualified professional staff with access to the right competencies.
		iv)	Strengthen the way our working environment embraces our values.
		v)	Strengthen and simplify our management information system.

Objectives	Strategies
	vi) Strengthen and simplify our administrative practices. v) Strengthen how we plan, assess and report our performance.

Indicators of Success:

- Our work is relevant (see Indicators of Success for Goal 1).
- Our work is completed by established deadlines and within the planned costs set out in our Business and Financial Plan.
- Our staff resources are used as set out in our Business and Financial Plan.
- Our stakeholder surveys indicate a positive trend in satisfaction with our work.
- Our corporate culture surveys indicate a positive trend in our working environment.
- The Institute of Chartered Accountants of Saskatchewan reports our work meets professional standards.
- Maintain net financial assets equal to one month of our salary costs so that we can respond effectively to the risks faced by our stakeholders.
- Our Professional Accounting Program pass rates exceed the provincial average each year.
- The Assembly receives our Business and Financial Plan and our Annual Report on Operations each year.
- The Assembly receives a Fall and Spring Report each year.
- Our auditor reports publicly and positively on our performance (e.g., our financial statements, our compliance with *The Provincial Auditor Act* and the adequacy of our system of internal control).

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Appendix II – Other Information in Response to Questions Posed Previously by the Standing Committee on Estimates and the Board of Internal Economy

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When reviewing our Business and Financial Plans, the Standing Committee on Estimates and the Board of Internal Economy have asked several questions about our spending practices and audit work. This appendix contains information to answer those questions. The information reflects our latest results and estimates.

We think the Committee's and the Board's questions are excellent for understanding and assessing the spending practices of public sector managers. Accordingly, we encourage Members of the Legislative Assembly to ask similar questions of managers of Crown corporations and departments when those managers appear before other Standing Committees.

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Spending Trends

In the past, members of the Standing Committee on Estimates and the Standing Committee on Public Accounts wanted to know what our spending trends were over a ten-year period.

The following information shows the trend of our spending from 1992 to 2001. The financial trends of the Government are best represented by the total revenue plus the total expenditures, as well as the total assets plus the total liabilities from the Government's summary financial statements. In the past, we compared our spending to the Government's spending through the General Revenue Fund. The Government's summary financial statements contain better information on total government spending.

Table 3

	Provincial Auditor's	Government's Financial Trends	
Year End	Spending	Revenue and Expenditures	Assets and Liabilities
1992	$ 3.6 million	$ 17.0 billion	$ 31.6 billion
1993	3.9 million	16.3 billion	32.7 billion
1994	4.1 million	16.4 billion	34.3 billion
1995	4.4 million	17.4 billion	34.6 billion
1996	4.5 million	17.6 billion	34.9 billion
1997	4.3 million	17.5 billion	34.5 billion
1998	4.5 million	17.6 billion	33.9 billion
1999	4.6 million	18.3 billion	33.9 billion
2000	4.5 million	20.2 billion	35.6 billion
2001	4.8 million	20.6 billion	35.0 billion

The Provincial Auditor's reported spending, for 1992 to 2001 inclusive, does not include appointed auditors' fees charged to government agencies. The decision to use appointed auditors rests with the Government. Accordingly, the costs of appointed auditors are not within the Provincial Auditor's control and are, therefore, not reflected in the Provincial Auditor's spending.

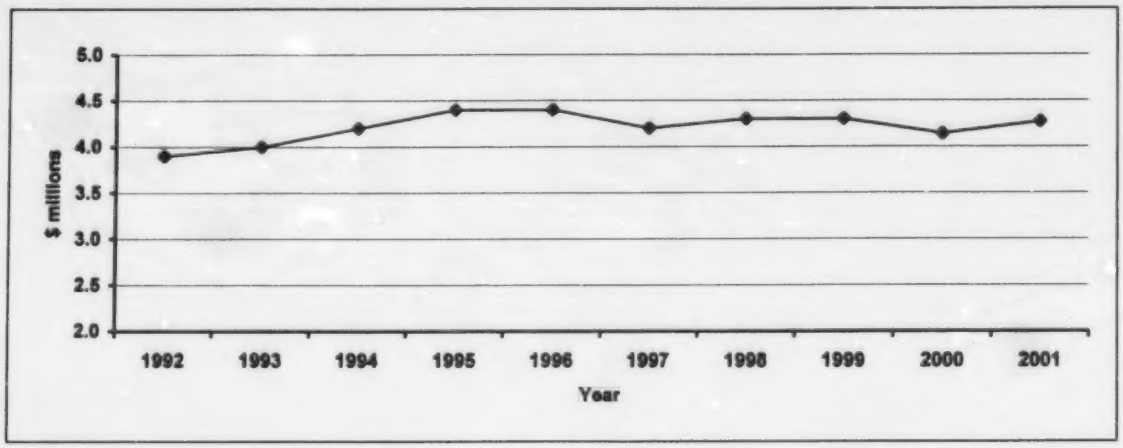
The Government's financial numbers come from its summary financial statements. The total revenues plus the total expenditures are used to reflect the increase in the volume of transactions our Office is responsible for auditing. We also have to audit the total assets plus the total liabilities of the Government. Graphs 1 and 2 (page 62) include the above information adjusted for inflation using 1995 as the base year.

In previous reports, we included our spending trend since 1983. From 1987 to 1995, our appropriation was not sufficient to carry out our work plan. This resulted in no reports, or late reports, to the Members of the Legislative Assembly on certain government organizations. For the six years ended March 31, 2001, the Board of Internal Economy recommended an appropriation that was sufficient for our Office to carry out our work plan. From 1996 to 2001 our spending has increased 6.7%. During the same period, the Government's spending has increased 17%.

Also, for the year ended March 31, 2002, the Board of Internal Economy again recommended an appropriation that was sufficient for our Office to carry out our work plan.

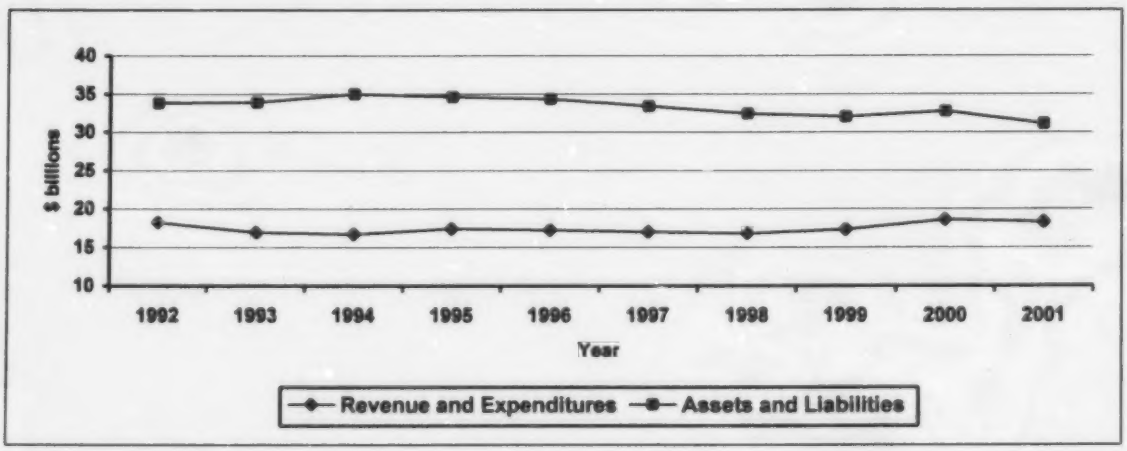
Graph 1
Provincial Auditor's Spending

These numbers come from Table 3. The numbers are adjusted for inflation using The Consumer Price Index of Canada and 1995 as the base year.



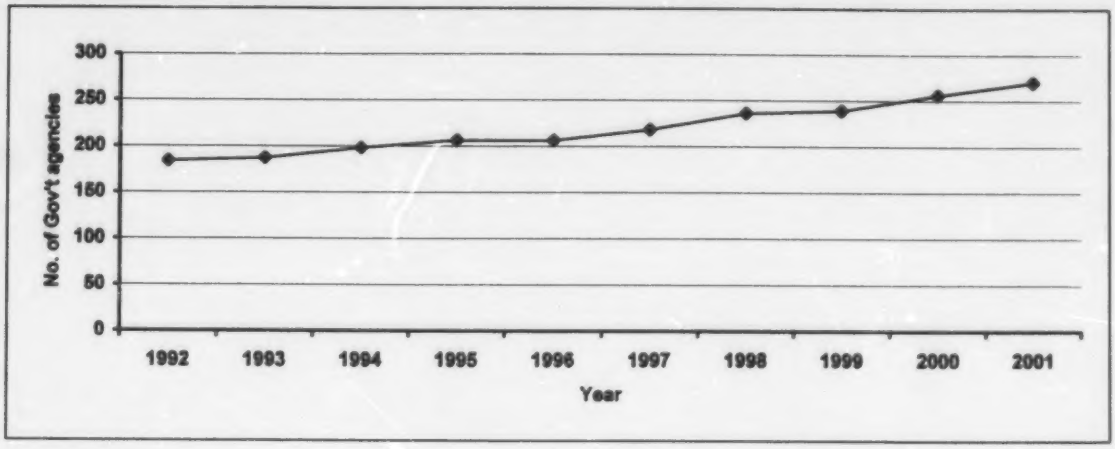
Graph 2
Government's Financial Trends

These numbers come from Table 3. The numbers are adjusted for inflation using The Consumer Price Index of Canada and 1995 as the base year.



Graph 3
Number of Government Agencies

Our work is also affected by the number of government agencies. The following graph shows the ten-year trend in the number of government agencies.



Out-of-Province Travel

Information on the last five years "out-of-province travel".

	1998-99	1999-00	2000-01	2001-02	2002-03
Forecast	$ 28,250	$ 39,500 [1]	$ 40,250 [1]	$ 39,650 [1]	$ 40,000 [1]
Actual	38,974 [1]	28,064 [2]	37,930	39,200 [3]	

[1] Increasingly we are asked to participate in national working groups with the legislative audit community to agree on guidelines for auditing and reporting on performance. Also, some of our specialized training is not available in province (e.g., pension and benefit plans, gaming and insurance areas.)

[2] In 2000, due to established priorities, we did not carry out part of our annual management training program. We plan to carry out this program in future years.

[3] This is an estimate to March 31, 2002. The actual to October 31, 2001 is $13,289.

Salary Comparisons

Monthly and annual salaries for all staff as of March 31, 2001 and as of March 31, 2000 and the percentage change. For explanation for increases, see footnotes 1 to 6 on page 68.

Salaries - Employees (excluding union related employees)

Name	Type	March 31, 2000 Annual Salary	March 31, 2000 Monthly Salary	March 31, 2001 Annual Salary	March 31, 2001 Monthly Salary	Percentage Increase (6)	Explanation for Increases Greater Than 10%
Ahmad, Mobashar	Permanent	$ 89,736	$ 7,478	$ 92,446	$ 7,704	3.02%	
Anderson, Mark T.	Permanent	69,810	5,818	74,434	6,203	6.62%	
Atkinson, Brian R.	Permanent	89,736	7,478	99,842	8,320	11.26%	(3)
Bachelu, Gaylene K.	Permanent	27,543	2,295	29,780	2,482	8.12%	
Beblow, Jolene T.	Permanent	57,220	4,768	62,000	5,167	8.35%	
Black, Robert L.	Permanent	82,640	6,887	No longer employed			
Borys, Angèle M.	Permanent	72,800	6,067	82,000	6,833	12.64%	(5)
Burrows, Jamie A.	Permanent	30,267	2,522	51,000	4,250	68.50%	(2)
Clemett, Tara L.	Permanent	35,000	2,917	53,000	4,417	51.43%	(2)
Creaser, Philip M.	Permanent	82,640	6,887	85,135	7,095	3.02%	
Deis, Kelly W.	Permanent	65,000	5,417	73,000	6,083	12.31%	(3)
Dickin, Deann J.	Permanent	39,079	3,257	42,253	3,521	8.12%	
Ferguson, Judy D.	Permanent	89,736	7,478	92,446	7,704	3.02%	
Grabarczyk, Rod A.	Permanent	82,640	6,887	85,135	7,095	3.02%	
Harasymchuk, William W.	Permanent	68,083	5,674	72,918	6,077	7.10%	
Harrison, Garnet G.	Permanent	57,180	4,765	No longer employed			
Heffernan, Michael A.	Permanent	89,736	7,478	92,446	7,704	3.02%	
Jersak, Rodd S.	Permanent	73,148	6,096	82,000	6,833	12.10%	(3)
Kenny, Wade A.	Permanent	30,267	2,522	51,000	4,250	68.50%	(2)
Kirchner, Carolyn	Permanent	Hired in 2000-2001		60,000	5,000		
Knox, L. Jane	Permanent	82,640	6,887	85,135	7,095	3.02%	
Kress, Jeffrey J.	Permanent	45,000	3,750	60,000	5,000	33.33%	(3)
Kucher, Tara L.	Permanent	49,622	4,135	No longer employed			
Kuntz, Linda A.	Permanent	41,208	3,434	44,150	3,679	7.14%	
Lahti, Kami J.	Permanent	30,267	2,522	51,000	4,250	68.50%	(2)
Markewich, Dale P.	Permanent	78,000	6,500	92,446	7,704	18.52%	(3)
Martens, G. Andrew	Permanent	82,640	6,887	85,135	7,095	3.02%	
Matchett, Joanne M.	Permanent	57,205	4,767	62,000	5,167	8.38%	
Montgomery, Edward	Permanent	89,736	7,478	92,446	7,704	3.02%	
Nyhus, Glen D.	Permanent	82,640	6,887	85,135	7,095	3.02%	
Orrange, Loyd	Permanent	66,919	5,577	68,258	5,688	2.00%	
Pradhan, Karim S.	Permanent	82,640	6,887	No longer employed			
Russell, Cathy R.	Permanent	48,812	4,068	No longer employed			

Salaries - Employees (excluding union related employees)

Name	Type	March 31, 2000 Annual Salary	March 31, 2000 Monthly Salary	March 31, 2001 Annual Salary	March 31, 2001 Monthly Salary	Percentage Increase (6)	Explanation for Increases Greater Than 10%
Rybchuk, Corrine P.	Permanent	63,000	5,250	73,000	6,083	15.87%	(3)
Salman, Salma S.	Permanent	50,872	4,239	No longer employed			
Schwab, Amy P.	Permanent	42,622	3,552	55,000	4,583	29.04%	(3)
Schwab, Victor A.	Permanent	67,894	5,658	75,715	6,310	11.52%	(5)
Shorten, Karen E.	Permanent	29,977	2,498	30,906	2,576	3.10%	
Smith, Curtis L.	Permanent	48,000	4,000	No longer employed			
Smith, Shana A.	Permanent	42,622	3,552	No longer employed			
Strecker, Rena K.	Permanent	30,267	2,522	51,000	4,250	68.50%	(2)
Strelioff, Wayne K.	Permanent	114,608	9,551	No longer employed			
	Deferred	1,764	N/A	No longer employed			(4)
Talbot, Marjory E.	Permanent	45,000	3,750	No longer employed			
Volk, Rosemarie M.	Permanent	75,000	6,250	82,000	6,833	9.33%	
Watkins, Dawn L.	Permanent	30,300	2,525	30,906	2,576	2.00%	
Wendel, G. Fred	Permanent	100,217	8,351	117,634	9,803	17.38%	(3)
Wendel, Leslie E.	Permanent	79,729	6,644	81,324	6,777	2.00%	

Salaries - Employees (union related employees)

Name	Type	March 31, 2000 Annual Salary	March 31, 2000 Monthly Salary	March 31, 2001 Annual Salary	March 31, 2001 Monthly Salary	Percentage Increase (6)	Explanation for Increases Greater Than 10%
Baronowsky, Tricia A.	Permanent	$ 28,000	$ 2,333	$ 30,060	$ 2,505	7.36%	
Davidiuk, Krista D.	Permanent	26,000	2,167	28,560	2,380	9.85%	
DeCorby, Michelle M.	Permanent	Hired in 2000-2001		26,700	2,225		
Duran, Jason S.	Permanent	50,000	4,167	55,000	4,583	10.00%	(5)
Duran, Joel K.	Permanent	21,900	1,825	30,500	2,542	39.27%	(5)
Forgie, Leanne M.	Permanent	30,267	2,522	No longer employed			
Fysh, Cindy M.	Permanent	Hired in 2000-2001		30,162	2,514		
Hungle, Angie D.	Permanent	26,000	2,167	28,520	2,377	9.69%	
Kodas, John	Permanent	30,267	2,522	33,872	2,823	11.91%	(1)
Kossmann, Stephanie	Temporary	Hired in 2000-2001		19,200	1,600		
Lahti, Jay J.	Permanent	33,811	2,818	37,487	3,124	10.87%	(1)
Lees, Trina C.	Permanent	Hired in 2000-2001		26,520	2,210		
Lindenbach, Michelle	Temporary	Hired in 2000-2001		19,200	1,600		
Lowe, Kimberly I.	Permanent	30,267	2,522	33,872	2,823	11.91%	(1)
Oldershaw, Mark J.	Permanent	30,267	2,522	33,872	2,823	11.91%	(1)
Ottenbreit, Stacey	Temporary	19,200	1,600	No longer employed			
Paul, Charlene A.	Permanent	26,000	2,167	40,000	3,333	53.85%	(2)
Paul, Kent W.	Permanent	Hired in 2000-2001		26,520	2,210		
Schiller, Rita L.	Permanent	24,413	2,034	24,983	2,082	2.33%	
Sommerfeld, E. Regan	Permanent	26,000	2,167	30,060	2,505	15.62%	(1)
Szaroz, Jennifer J.	Permanent	Hired in 2000-2001		26,520	2,210		
Tomlin, Heather D.	Permanent	41,410	3,451	43,928	3,661	6.08%	
Walker, Sandra J.	Permanent	56,804	4,734	60,782	5,065	7.00%	

Explanations for Increases

We are a training office for people to become Chartered Accountants (CAs). As a result, when we hire trainees we base our starting salaries on market rates for other training offices. As they progress toward professional qualifications, we must pay them closer to rates in the public service because Government agencies are a key group of potential employers of our trained professionals. In order to retain our professionals and other staff, we must offer competitive salaries and benefits to the public service.

(1) We hire these staff at an annual salary approximately $9,000 less than the starting salary paid to a Business Auditor hired through the Public Service Commission. We hire at these rates to more closely reflect market rates for persons wanting to become professional accountants. As these staff progress towards and achieve professional standing, they receive increases that reflect pay in the public service. The Government pays auditors, that are not CAs, hired through the Public Service Commission at pay scales ranging from a starting salary of $34,500 as a Business Auditor trainee to $48,800 as a Business Auditor (PSC rates as at March 31, 2001).

(2) These larger increases are due to staff members passing their professional accounting exams and being promoted. At this time, we link their salaries closer to pay in the public service. The Government's pay scale for a CA hired as a Senior Auditor through the Public Service Commission ranges from $49,200 to $58,780.

(3) These increases are due to staff members being promoted.

(4) When the Provincial Auditor's employment ended, by law he was entitled to receive two months salary for each year of employment as Provincial Auditor to a maximum of 12 months salary.

(5) These increases are due to market adjustments necessary to retain staff with specialized skills and experience.

(6) The Government granted salary increases to all out of scope public servants of 2% on July 1, 1999 and 2% on July 1, 2000. We provided 1% to some of our staff in July 1999 and 0% to senior staff. On July 1, 2000, we provided 1% to senior staff for the 1999 increase and 2% to all staff to match the raise public servants received on July 1, 2000.

Senior Management Salaries

Annual salaries of senior management for the past five years and the percentage change from the previous year.

Annual salaries as at March 31:

Name	1997	1998	Percent Increase from 1997[4]	1999	Percent Increase from 1998[5]	2000	Percent Increase from 1999[6]	2001	Percent Increase from 2000[7]
Strelioff, W. K.									
- Cash[1]	$ 108,452	$ 109,537	1.00%	$ 112,845	3.02%	$ 114,606	1.56%	$ -	
- Deferred	10,544	1,085	1.00%	3,300	3.02%	1,764	1.56%	-	
Wendel, G. F.	96,316	97,279	1.00%	100,217	3.02%	100,217	0.00%	117,634	17.38% [2]
Ahmad, M. (Effective Oct. 1, 1997)	-	84,000	4.42%	89,736	6.83%	89,736	0.00%	92,446	3.02%
Atkinson, B. R.	86,243	87,105	1.00%	89,736	3.02%	89,736	0.00%	99,842	11.26% [3]
Ferguson, J. D.	86,243	87,105	1.00%	89,736	3.02%	89,736	0.00%	92,446	3.02%
Heffernan, M. A.	86,243	87,105	1.00%	89,736	3.02%	89,736	0.00%	92,446	3.02%
Markewich, D. P. (Effective Apr. 20, 2000)	-	-		-		-		92,446	18.52% [3]
Montgomery, E. (Effective Oct. 1, 1997)	-	84,000	5.76%	89,736	6.83%	89,736	0.00%	92,446	3.02%

[1] The law states that the Provincial Auditor's salary is the average of the salaries paid to Deputy Ministers and the Provincial Auditor receives any economic adjustments that Deputy Ministers receive.

[2] On April 19, 2000, Wayne Strelioff resigned as Provincial Auditor. Fred Wendel was appointed Acting Provincial Auditor until a new Provincial Auditor is appointed.

[3] These increases are due to the staff members being promoted.

[4] The government granted salary increases to all out of scope public servants of 1% on July 1, 1997.

[5] The government granted salary increases to all out of scope public servants of 3.02% on July 1, 1998.

[6] The government granted salary increases to all out of scope public servants of 2% on July 1, 1999.

[7] The government granted salary increases to all out-of-scope public servants of 2% on July 1, 2000.

Special Assignments

No special assignments per Section 16 of *The Provincial Auditor Act* have been performed during 2001-02 as of October 31, 2001.

Professional Dues Schedule

This schedule shows the professional fees levied by the Certified General Accountants Association, CMA Canada-Saskatchewan, Institute of Chartered Accountants, and the CA School of Business for 1999-00, 2000-01, 2001-02, and forecast for 2002-03.

Fees	1999-00 (Actual)	2000-01 (Actual)	2001-02 (Actual)	2002-03 (Forecast)
CA School of Business	$ -	$ -	$ 550.00	$ 550.00
Certified General Accountants Association	655.00	670.00	-	-
CMA Canada-Saskatchewan				
Annual professional membership dues	565.00	565.00	565.00	565.00
Student membership dues	250.00	250.00	250.00	250.00
Institute of Chartered Accountants				
Chartered Accountant dues	770.00	815.00	815.00	815.00
Student dues	535.00	535.00	535.00	-
Practice Inspection Assessment				
"C.A.'s employed by the Office of the Provincial Auditor"	50.00	52.50	52.50	52.50
Firm Assessment				
"for each Chartered Accountant within your firm"	125.00	125.00	125.00	125.00

Costs of our Detailed Work Plan for 2002

Following is a schedule of planned and actual hours and costs to audit government agencies for their years ended in the period July 1, 2000 to June 30, 2001. The planned costs were originally provided in our 2002 Business and Financial Plan. Our 2002 Annual Report on Operations will provide explanations of significant variances between planned and actual results.

Department or Agency	Planned		Actuals			Appointed**	Total
	Hours	Costs	Hours	Costs		Auditor Fee	Costs/Fees
Crown Investments Corporation of Saskatchewan	625	$ 59,559	557	$ 56,122		$ 198,367	$ 254,489
Department of Agriculture and Food	3,870	291,325	3,286	246,260	*	276,007	522,267
Department of Economic and Co-operative Development	479	34,113	213	13,841	*	-	13,841
Department of Education	2,183	176,831	1,667	116,598	*	-	116,598
Department of Energy and Mines	985	78,175	676	53,317	*	-	53,317
Department of Environment and Resource Management	1,875	158,265	1,720	137,246	*	11,800	149,046
Department of Finance	7,054	555,497	5,998	478,494	*	61,900	540,394
Department of Health	6,837	587,211	5,606	466,274	*	633,252	1,099,526
Department of Highways and Transportation	1,238	97,083	793	61,554	*	-	61,554
Department of Intergovernmental and Aboriginal Affairs	214	16,134	200	14,116	*	-	14,116
Department of Justice	2,687	211,736	1,716	121,146	*	9,250	130,396
Department of Labour	657	55,347	260	18,128	*	-	18,128
Department of Municipal Affairs and Housing	3,015	229,122	1,779	162,528	*	149,675	312,203
Department of Post-Secondary Education and Skills Training	7,432	607,000	7,032	543,310	*	135,063	678,373
Department of Social Services	2,186	160,202	2,201	170,507	*	-	170,507
Executive Council	223	16,541	16	977	*	-	977
Information Services Corporation of Saskatchewan	56	5,041	84	7,441		71,000	78,441
Legislative Assembly	660	46,804	538	36,721	*	-	36,721
Municipal Financing Corporation of Saskatchewan	25	2,215	29	2,771		3,604	6,375
Public Service Commission	118	7,858	1	79	*	-	79
Saskatchewan Development Fund Corporation	74	6,264	48	4,087		7,208	11,295
Saskatchewan Gaming Corporation	944	75,504	866	73,920	*	14,100	88,020
Saskatchewan Government Growth Fund Management Corporation	188	19,110	341	34,271		33,500	67,771
Saskatchewan Government Insurance Corporation	501	48,501	468	44,232		147,500	191,732
Saskatchewan Liquor and Gaming Authority	2,695	237,516	3,120	282,008	*	368,603	650,611
Saskatchewan Municipal Board	50	3,270	43	2,855		-	2,855

Department or Agency	Planned Hours	Planned Costs	Actuals Hours	Actuals Costs		Appointed** Auditor Fee	Total Costs/Fees
Saskatchewan Opportunities Corporation	155	$ 14,535	76	$ 7,331		$ 80,856	$ 88,187
Saskatchewan Power Corporation	389	36,391	391	35,407		237,352	272,759
Saskatchewan Property Management Corporation	125	11,879	141	14,187	*	50,000	64,187
Saskatchewan Research Council	871	69,540	849	73,459		-	73,459
Saskatchewan Safety Council	240	15,800	282	18,389		-	18,389
Saskatchewan Telecommunications	491	50,237	598	56,985		169,000	225,985
Saskatchewan Transportation Company	126	11,425	87	8,098		36,000	44,098
Saskatchewan Water Corporation	182	17,122	245	22,491		50,500	72,991
SaskEnergy Incorporated	204	20,530	302	29,012		121,800	150,812
Women's Secretariat	53	3,497	56	3,774	*	-	3,774
Workers' Compensation Board	710	69,825	554	56,653	*	125,632	182,285
Government Wide, Sectoral, and Special Issue Audits	5,887	531,726	3,225	296,221	*	-	296,221
Legislative Committees and Public Reports	4,369	441,269	2,324	231,423	*	-	231,423
TOTAL	60,673	$ 5,080,000	48,388	$ 4,002,233		$ 2,991,969	$ 6,994,202
Secondments	1,650	56,000	-	-			-
TOTAL INCLUDING SECONDMENTS	62,323	$ 5,136,000	48,388	$ 4,002,233		$ 2,991,969	$ 6,994,202
Office of the Provincial Auditor						$ 19,300	$ 19,300

* These audits are not fully complete at September 30, 2001. To fully complete these audits would require approximately 11,600 hours and $1.1 million.

** Not all of the appointed auditors have reported their 2002 fees. Where they have not reported for 2002, the most recent fees have been used.

Costs of our Detailed Work Plan for 2001

Following is a schedule of planned and actual hours and costs to audit government agencies for their years ended in the period July 1, 1999 to June 30, 2000. The planned costs were originally provided in our 2001 Business and Financial Plan. Our 2001 Annual Report on Operations provides explanations of significant variances between planned and actual results up to March 31, 2001. The actual results reported here have been updated to include hours and costs for these jobs up to September 30, 2001.

Department or Agency	Planned Hours	Planned Costs	Actuals Hours	Actuals Costs		Appointed** Auditor Fee	Total Costs/Fees
Crown Investments Corporation of Saskatchewan	1,159	$ 96,467	875	$ 72,900		$ 124,340	$ 197,240
Department of Agriculture and Food	3,980	291,212	3,906	278,801		231,491	510,292
Department of Economic and Co-operative Development	679	48,895	227	16,641		-	16,641
Department of Education	2,518	195,835	2,834	229,048		5,750	234,798
Department of Energy and Mines	680	48,540	689	48,583		-	48,583
Department of Environment and Resource Management	1,825	127,930	1,885	136,747		10,925	147,672
Department of Finance	7,223	574,730	5,978	457,811	*	30,300	488,111
Department of Health	6,516	525,606	6,391	492,484	*	660,840	1,153,324
Department of Highways and Transportation	1,538	113,007	1,386	99,456		-	99,456
Department of Intergovernmental and Aboriginal Affairs	214	15,706	156	12,638		-	12,638
Department of Justice	2,740	196,025	2,795	199,000	*	8,425	207,425
Department of Labour	207	14,228	132	8,546		-	8,546
Department of Municipal Affairs, Culture and Housing	2,874	212,749	3,408	244,830		92,215	337,045
Department of Post-Secondary Education and Skills Training	6,785	503,977	6,577	505,567	*	126,698	632,265
Department of Social Services	2,383	172,396	2,001	137,164		340	137,504
Executive Council	222	14,833	337	26,365		-	26,365
Information Services Corporation of Saskatchewan	400	28,625	54	4,632		-	4,632
Legislative Assembly	560	38,644	624	41,380		-	41,380
Municipal Financing Corporation of Saskatchewan	25	2,165	25	2,261		3,340	5,601
Public Service Commission	118	7,622	128	8,365		-	8,365
Saskatchewan Development Fund Corporation	74	6,116	20	1,808		7,800	9,608
Saskatchewan Forest Products Corporation	10	1,430	9	892		-	892
Saskatchewan Gaming Corporation	1,074	85,376	1,149	93,492	*	-	93,492
Saskatchewan Government Growth Fund Management Corporation	188	18,696	179	18,104		40,800	58,904
Saskatchewan Government Insurance Corporation	501	47,499	515	47,696		143,000	190,696
Saskatchewan Liquor and Gaming Authority	1,395	102,670	2,803	241,600		58,500	300,100
Saskatchewan Municipal Board	101	6,204	41	2,711		-	2,711

Department or Agency	Planned Hours	Planned Costs	Actuals Hours	Actuals Costs		Appointed** Auditor Fee	Total Costs/Fees
Saskatchewan Opportunities Corporation	155	$ 14,225	115	$ 11,525		$ 45,115	$ 56,640
Saskatchewan Power Corporation	389	35,613	378	34,133		722,569	756,702
Saskatchewan Property Management Corporation	125	11,629	83	8,352		60,000	68,352
Saskatchewan Research Council	871	67,798	891	61,858		-	61,858
Saskatchewan Safety Council	240	15,320	302	18,777		-	18,777
Saskatchewan Telecommunications	374	37,746	415	40,027		150,000	190,027
Saskatchewan Transportation Company	126	11,173	68	6,485		40,000	46,485
Saskatchewan Water Corporation	388	39,812	537	48,151		87,500	135,651
SaskEnergy Incorporated	201	19,613	189	18,417		235,275	253,692
Women's Secretariat	53	3,391	53	3,294		-	3,294
Workers' Compensation Board	294	27,721	576	56,829		121,632	178,461
Government-Wide, Sectoral, and Special Issue Audits	6,016	512,893	7,172	597,331	*	-	597,331
Legislative Committees and Public Reports	4,623	447,683	3,627	377,961		-	377,961
TOTAL	59,844	$ 4,742,000	59,530	$ 4,712,662		$ 3,006,855	$ 7,719,517
Secondments	1,650	56,000	1,064	41,238			41,238
TOTAL INCLUDING SECONDMENTS	61,494	$ 4,798,000	60,594	$ 4,753,900		$ 3,006,855	$ 7,760,755
Office of the Provincial Auditor						$ 21,750	$ 21,750

* These audits are not fully complete at September 30, 2001. To fully complete these audits would require approximately 1,100 hours and $110,000.

** Not all appointed auditors have reported their 2001 fees. Where they are not reported for 2001, the most recent fees have been used.

Costs of our Detailed Work Plan for 2000

Following is a schedule of planned and actual hours and costs to audit government agencies for their years ended in the period July 1, 1998 to June 30, 1999. The planned costs were originally provided in our 2000 Business and Financial Plan. Our 2000 Annual Report on Operations provides explanations of significant variances between planned and actual results up to March 31, 2000. The actual results reported here have been updated to include hours and costs for these jobs up to September 30, 2001.

Department or Agency	Planned Hours	Planned Costs	Actuals Hours	Actuals Costs		Appointed** Auditor Fee	Total Costs/Fees
Crown Investments Corporation of Saskatchewan	1,463	$ 103,697	1,049	$ 81,444		$ 105,365	$ 186,809
Department of Agriculture and Food	3,943	262,419	4,194	297,970		194,860	492,830
Department of Economic and Co-operative Development	709	47,522	410	28,848		-	28,848
Department of Education	2,618	186,477	1,997	139,189	*	6,640	145,829
Department of Energy and Mines	865	56,421	740	47,557		-	47,557
Department of Environment and Resource Management	2,145	138,210	1,928	121,505	*	13,125	134,630
Department of Finance	7,648	511,611	6,820	472,985	*	29,750	502,735
Department of Health	7,318	552,569	7,596	548,381	*	647,495	1,195,876
Department of Highways and Transportation	1,516	103,110	1,573	101,624	*	-	101,624
Department of Intergovernmental and Aboriginal Affairs	452	29,098	180	12,434	*	-	12,434
Department of Justice	2,690	172,300	2,537	161,846		8,175	170,021
Department of Labour	276	17,488	158	9,481	*	-	9,481
Department of Municipal Affairs, Culture and Housing	3,398	231,934	3,249	213,995	*	92,740	306,735
Department of Post-Secondary Education and Skills Training	6,603	449,947	6,826	487,557	*	132,668	620,225
Department of Social Services	2,766	180,920	2,526	163,572		340	163,912
Executive Council	222	13,717	213	17,002		-	17,002
Greystone Capital Management Inc.	6	543	-	-	*	-	* -
Legislative Assembly	551	35,177	439	27,467		-	27,467
Municipal Financing Corporation of Saskatchewan	25	2,035	37	3,152		3,200	6,352
Public Service Commission	128	7,909	183	11,214	*	-	11,214
Saskatchewan Development Fund Corporation	74	5,742	53	3,972		7,115	11,087
Saskatchewan Forest Products Corporation	35	3,605	33	2,929		2,537	5,466
Saskatchewan Gaming Corporation	984	69,622	1,186	82,670	*	-	82,670
Saskatchewan Government Growth Fund	101	8,650	256	24,387		30,610	54,997
Saskatchewan Government Insurance Corporation	456	41,843	545	49,941		141,776	191,717
Saskatchewan Liquor and Gaming Authority	1,540	98,870	1,396	91,476		56,350	147,826
Saskatchewan Municipal Board	101	5,591	55	3,184		-	3,184
Saskatchewan Opportunities Corporation	156	13,543	88	8,241		31,083	39,324
Saskatchewan Power Corporation	920	84,940	800	72,595		167,918	240,513

Department or Agency	Planned Hours	Planned Costs	Actuals Hours	Actuals Costs		Appointed** Auditor Fee	Total Costs/Fees
Saskatchewan Property Management Corporation	125	$ 11,058	94	$ 8,833		$ 49,675	$ 58,508
Saskatchewan Research Council	1,011	72,823	921	62,951	*	-	62,951
Saskatchewan Safety Council	240	13,915	336	18,895		-	18,895
Saskatchewan Telecommunications	400	36,165	432	41,437		157,502	198,939
Saskatchewan Transportation Company	126	10,698	92	8,709		40,000	48,709
Saskatchewan Water Corporation	122	10,346	198	16,914		127,500	144,414
SaskEnergy Incorporated	201	18,678	168	15,407		117,225	132,632
Women's Secretariat	53	3,079	45	2,570		-	2,570
Workers' Compensation Board	362	32,736	604	55,650		90,000	145,650
Government-Wide, Sectoral, and Special Issue Audits	4,905	422,173	4,629	388,671	*	-	388,671
Legislative Committees and Public Reports	4,504	399,245	4,916	478,293		-	478,293
TOTAL	61,758	$ 4,466,426	59,502	$ 4,384,948		$ 2,253,649	$ 6,638,597
Secondments	1,502	55,574	1,583	61,236			61,236
TOTAL INCLUDING SECONDMENTS	63,260	$ 4,522,000	61,085	$ 4,446,184		$ 2,253,649	$ 6,699,833
Office of the Provincial Auditor						$ 20,440	$ 20,440

* These audits are not fully complete at September 30, 2001. To fully complete these audits would require approximately 3,000 hours and $236,000.

** Not all appointed auditors have reported the 2000 fees. Where they are not reported for 2000, the most recent fees have been used.

The appointed auditor has not reported the 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, or 1999 fees.

Billings

Departments or agencies billed in 1992-93 through 2001-02.

	Number of Departments or Agencies	Amount Billed	Amount Collected
1992-93 actuals	33	$ 438,510	$ 195,938
1993-94 actuals	16	452,272	452,272
1994-95 actuals	29	528,565	528,565
1995-96 actuals	16	225,763	225,763
1996-97 actuals	11	165,792	165,792
1997-98 actuals	7	141,883	141,883
1998-99 actuals	7	90,495	90,495
1999-00 actuals	6	116,669	116,669
2000-01 actuals	8	65,956	65,956
2001-02 actuals	2	14,539 [1]	14,539

[1] To October 31, 2001.

Appendix III – Provincial Auditor's Estimates

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Provincial Auditor

Vote 28

The Office serves the people of Saskatchewan through the Legislative Assembly. The Office encourages accountability and effective management in government operations through its independent examinations, advice, and reports on the management of public resources entrusted to government.

Summary of Expenditure
(in thousands of dollars)

	Estimated 2002-03	Estimated 2001-02
Provincial Auditor	5,379	5,136
Contingency	348	–
	5,727	5,136

Provincial Auditor

Vote 28 – Continued

(in thousands of dollars)

	Estimated 2002-03	Estimated 2001-02

Provincial Auditor (PA01)

Provides for the audits of the administration of programs and activities of government departments, health and education institutions, commissions, boards, and Crown corporations and for reporting the results of all audits annually to the Legislative Assembly and the public. It also provides assistance to the Standing Committee on Public Accounts in its review of the Provincial Auditor's Report, the Public Accounts, and other reports.

Expenditure by Type	2002-03	2001-02		
Salaries	3,663	3,480		
Supplier and other Payments	1,716	1,656		
			5,379	5,136

Contingency (PA02)

To enable the Provincial Auditor to retain the independence to finance short-term revenue shortfalls caused by responding to unplanned work, pressure to improve timeliness of work, and unplanned salary and benefit increases, *The Provincial Auditor Act* provides for a contingency appropriation.

Expenditure by Type	2002-03	2001-02		
Salaries and contract staff	348	–		
			348	–